

STIC Database Tracking Number: 303754

To: Jason Borlinghaus  
Location: KNX 4A79  
Art Unit: 3693  
Date: 08/12/2009  
Case Serial Number: 10/628208

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## Search Notes

10/628208

METHOD AND SYSTEM FOR PROVIDING MANDATORILY CONVERTIBLE SECURITIES WITH AN ASSOCIATED CALL SPREAD AGAINST A TRUST

Dear Examiner Borlinghaus:

Please find attached the results of your search for the above-referenced case. The search was conducted in Dialog.

I have listed *potential* references of interest in the first part of the search results. However, please be sure to scan through the entire report. There may be additional references that you might find useful.

If you have any questions about the search, or need a refocus, please do not hesitate to contact me.

Thank you for using the EIC, and we look forward to your next search!

*\*EIC-Searcher identified "potential references of interest" are selected based upon their apparent relevance to the terms/concepts provided in the examiner's search request.*

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## I. Potential References of Interest

20/5/2 (Item 2 from file: 141)  
DIALOG(R)File 141:Readers Guide  
(c) 2009 The HW Wilson Co. All rts. reserv.  
02541442 H.W. WILSON RECORD NUMBER: BRGA93041442  
Borrowing short, lending long.  
AUGMENTED TITLE: tax-exempt term trusts  
Weberman, Ben, d. 1994  
Forbes (Forbes) v. 152 (Aug. 16 '93) p. 131  
DOCUMENT TYPE: Feature Article ISSN: 0015-6914  
LANGUAGE: English  
COUNTRY OF PUBLICATION: United States  
RECORD TYPE: Abstract RECORD STATUS: New record

ABSTRACT: Tax-exempt leveraged term trusts are an investment option for those seeking additional yields with some risk. Unlike most closed-end bond funds, these trusts mature on the date investors are supposed to get their capital back. The trust works simply enough: Capital is raised through the issuance of variable-rate preferred stock paying low, money-market-level dividends and from the sale of common shares. Proceeds are then invested in medium- to long-term municipal bonds. Unfortunately, if interest rates rise too much, yields take a dive. Investors should never buy term trusts at original issues and should only purchase them in the secondary market if discounts to net asset values are 4 percent or better, and the investors want to buy on margin. Only a few organizations, such as BlackRock Financial Management and Piper Capital Management, have brought municipal term trusts to market.

DESCRIPTORS:  
Term trusts--Taxation; Municipal bonds  
SPECIAL FEATURES: il

25/5/8 (Item 8 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
(c) 2009 Thomson Reuters. All rts. reserv.  
0014043121 - Drawing available  
WPI ACC NO: 2004-225327/200421  
XRPX Acc No: N2004-178046  
Data processing operation performing method for security structure, involves tracking payment status of installment payment due to warrant stored representative of allocated proceeds such that payment is applied to warrant  
Patent Assignee: JONES E P (JONE-I); SCHOEN K (SCHO-I); TODD J (TODD-I)  
Inventor: JONES E P; SCHOEN K; TODD J  
Patent Family (1 patents, 1 countries)  
Patent Application  
Number Kind Date Number Kind Date Update  
US 20040039669 A1 20040226 US 2002381571 P 20020517 200421 B  
US 2003440831 A 20030519

Priority Applications (no., kind, date): US 2002381571 P 20020517; US

2003440831 A 20030519

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20040039669	A1	EN	16	4	Related to Provisional US 2002381571

#### Alerting Abstract US A1

NOVELTY - The method involves structuring a warrant with a requirement to purchase a fixed number of shares in a stock of an issuer (101). Proceeds are issued from an issuance of a security to a debt. A payment status of installment payment is tracked due to the warrant and based on storing representative of allocated proceeds such that the payment is applied to the warrant, where the payment is distinct from the proceeds.

DESCRIPTION - An INDEPENDENT CLAIM is also included for a security issued by an issuer.

USE - Used for performing data processing operation associated with a security issued by an issuer and a security structure

ADVANTAGE - The payment status of installment payment is tracked due to the warrant and based on storing the representative of allocated proceeds such that the payment is applied to the warrant, thereby effectively performing the data processing operations associated with the security structure.

DESCRIPTION OF DRAWINGS - The drawing shows data processing operations and a security structure associated with maturity of a warrant.

101Issuer  
103SQATRZ investor  
105Debt investor

Title Terms/Index Terms/Additional Words: DATA; PROCESS; OPERATE; PERFORMANCE; METHOD; SECURE; STRUCTURE; TRACK; PAY; STATUS; STORAGE; REPRESENT; ALLOCATE; PROCEED; APPLY

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I R 20060101

G06Q-0040/00 C I R 20060101

ECLA: G06Q-040/00B

US Classification, Current Main: 705-035000

US Classification, Issued: 70535

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-N01A1

## II. Text Search Results from Dialog

### A. Patent Files, Abstract

File 371:French Patents 1961-2002/BOPI 200209  
(c) 2002 INPI. All rts. reserv.  
File 344:Chinese Patents Abs Jan 1985-2006/Jan  
(c) 2006 European Patent Office  
File 347:JAPIO Dec 1976-2009/Mar(Updated 090708)  
(c) 2009 JPO & JAPIO  
File 350:Derwent WPIX 1963-2009/UD=200950  
(c) 2009 Thomson Reuters

Set	Items	Description
S1	47671	TRUST OR TRUSTS OR TRUSTEE?? OR (CORPORATE OR BUSINESS)() (- ENTITY OR ENTITIES) OR CORPORATION?? OR THIRD() (PARTY OR PART-IES) OR ISSUER??
S2	9449	(ISSUE?? OR ISSUING OR ISSUA? OR SELL?)(S)(SECURITY OR SEC-URITIES OR STOCK OR STOCKS OR BOND OR BONDS OR (INVESTMENT OR FINANCIAL OR DEBT)() (INSTRUMENT?? OR PRODUCT?? OR VEHICLE??) - OR DECS OR EQUITY OR EQUITIES OR MANDATOR?() (CONVERTIBLE?? OR EXCHANGEABLE??))
S3	13154	(S2 OR FIRST OR 1ST OR INITIAL OR PRIMARY OR ORIGINAL OR E-ARLIEST)(S)(PROCEEDS OR (MONEY OR AMOUNT)(5N)RECEIV? OR INCOME OR EARNINGS OR PROFIT??)
S4	64628	(PURCHAS? OR BUY OR BUYS OR BUYING OR BOUGHT OR OBTAIN? OR ACQUIR? OR ACQUISITION?)(S)(COMMON() STOCK OR SHARE?? OR RIGHT-??)
S5	35	(CALL OR OPTION??)() SPREAD??
S6	8127	(S5 OR SECOND OR 2ND OR SUBSEQUENT OR LATER)(S)(PROCEEDS OR (MONEY OR AMOUNT)(5N)RECEIVE?? OR INCOME OR EARNINGS OR PROF-IT??)
S7	17040	(FUND? OR SATISF? OR PROVID? OR PAY OR PAYS OR PAID OR PAY-ING OR PAYOUT?)(10N)(COUPON?? OR CASH() DISTRIBUTION?? OR DIVI-DEND?? OR PAYMENT??)
S8	6	S1 AND S2 AND S5
S9	2	S1 AND S4 AND S5
S10	6	S8 OR S9
S11	392	S1 AND (S3 OR S6)
S12	95	S11 AND S7
S13	77	S12 AND IC=(G06F-017/60 OR G06F-0017/60 OR G06F-015/00 OR - G06F-0015/00 OR G06Q-040/00 OR G06Q-0040/00)
S14	169	S1 AND S2 AND (S3 OR S6)
S15	38	S14 AND S4
S16	11	S15 AND S7
S17	9	S16 NOT S10
S18	139	S1 AND S2 AND S4
S19	24	S18 AND (S5 OR S7)
S20	22	S19 AND IC=(G06F-017/60 OR G06F-0017/60 OR G06F-015/00 OR - G06F-0015/00 OR G06Q-040/00 OR G06Q-0040/00)
S21	24	S18 AND S7
S22	11	S19 AND (S3 OR S6)
S23	15	S10 OR S17 OR S22
S24	15	S23 AND IC=(G06F-017/60 OR G06F-0017/60 OR G06F-015/00 OR - G06F-0015/00 OR G06Q-040/00 OR G06Q-0040/00)
S25	9	S24 AND AY=1950:2004

S26 5 S23 AND EC=G06Q-040/00B  
 S27 5 S23 AND MC=T01-J05A2F  
 S28 9 S26 OR S27  
 S29 15 S23 OR S28  
 S30 0 USED S25 RESULTS

25/5/1 (Item 1 from file: 350)

DIALOG(R)File 350:Derwent WPIX

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0018786741 - Drawing available

WPI ACC NO: 2009-F62885/200919

Financial transaction performing method for integrating convertible

security e.g. bond, involves establishing call

spread with counterparty by selling call option with higher

strike price than other call option to counterparty

Patent Assignee: CITIGROUP GLOBAL MARKETS INC (CITI-N)

Inventor: BREEN D; HIRSCH H

Patent Family (1 patents, 1 countries)

Patent			Application			
Number	Kind	Date	Number	Kind	Date	Update
US 20090063327	A1	20090305	US 2008289582	A	20081030	200919 B
			US 2003461142	P	20030409	
			US 2004820876	A	20040409	

Priority Applications (no., kind, date): US 2003461142 P 20030409; US  
 2004820876 A 20040409; US 2008289582 A 20081030

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20090063327	A1	EN	8	3	Related to Provisional US 2003461142 Continuation of application US 2004820876

#### Alerting Abstract US A1

NOVELTY - The method involves issuing a convertible security (110) to an investor to provide a potential financial benefit. A call spread (150) with a counterparty i.e. financial institution (130), is established by buying a call option (151) with another potential financial benefit that is same as the former potential financial benefit from the counterparty. A call option (155) is sold with a higher strike price than the call option (151) to the counterparty, where the call option (155) has a third potential financial benefit different from the latter potential financial benefit.

DESCRIPTION - An INDEPENDENT CLAIM is also included for a method for issuing a financial instrument comprising a convertible security and a set of call options.

USE - Method for performing a financial transaction with an integrated convertible security e.g. note and bond, between a counterparty and an investor.

ADVANTAGE - The method allows an issuer to increase effective conversion premium, while reflecting low interest expense for earnings per share (EPS) purposes, and to efficiently repurchase the shares underlying the security, thus minimizing dilution of earnings per share.

DESCRIPTION OF DRAWINGS - The drawing shows a block diagram of a high-level structure of an integrated convertible option security product.

100 High-level structure

110 Convertible security  
130 Counterparty  
140 Convertible market  
150 Call spread  
151, 155 Call options

Title Terms/Index Terms/Additional Words: FINANCIAL; TRANSACTION;  
PERFORMANCE; METHOD; INTEGRATE; CONVERT; SECURE; BOND; ESTABLISH;  
CALL; SPREAD; SELL; OPTION; HIGH; STRIKE; PRICE

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I F B 20060101

G06Q-0040/00 C I B 20060101

US Classification, Issued: 70537

File Segment: EPI;

DWPI Class: T01; T05

Manual Codes (EPI/S-X): T01-J05A1; T01-J12C; T05-L07

25/5/2 (Item 2 from file: 350)

DIALOG(R)File 350:Derwent WPIX

(c) 2009 Thomson Reuters. All rts. reserv.

0018759161 - Drawing available

WPI ACC NO: 2009-F28920/200917

Method for performing financial transaction for issuing financial instruments, involves purchasing mirror call option having potential financial benefit from counterparty, and selling warrant with higher strike price to counterparty

Patent Assignee: BREEN D (BREE-I); HIRSCH H (HIRS-I)

Inventor: BREEN D; HIRSCH H

Patent Family (1 patents, 1 countries)

Patent

Application

Number	Kind	Date	Number	Kind	Date	Update
US 20090055302	A1	20090226	US 2004820876	A	20040409	200917 B
			US 2003461142	P	20030409	

Priority Applications (no., kind, date): US 2003461142 P 20030409; US 2004820876 A 20040409

#### Patent Details

Number Kind Lan Pg Dwg Filing Notes

US 20090055302 A1 EN 7 3 Related to Provisional US 2003461142

Alerting Abstract US A1

NOVELTY - A convertible security comprising convertible note, is issued to the investor for providing potential financial benefit. A call spread (150) is established with a counterparty (130) by purchasing mirror call option (151) having same potential financial benefit from the counterparty. A warrant is sold to the counterparty by the issuer (120) with a higher strike price than the mirror call option.

DESCRIPTION - An INDEPENDENT CLAIM is included for method for issuing financial instrument.

USE - Method for performing financial transaction for issuing financial instrument (claimed).

ADVANTAGE - Allows issuer to increase the effective conversion premium and efficiently repurchase the shares underlying the security

thus minimizing dilution.

DESCRIPTION OF DRAWINGS - The drawing shows a block diagram of high-level structure of integrated convertible option security (ICON).

- 120 Issuer
- 130 Counterparty
- 140 Convertible market
- 150 Call spread
- 151 Mirror call option

Title Terms/Index Terms/Additional Words: METHOD; PERFORMANCE; FINANCIAL; TRANSACTION; ISSUE; INSTRUMENT; PURCHASE; MIRROR; CALL; OPTION; POTENTIAL ; BENEFICIAL; SELL; HIGH; STRIKE; PRICE

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I F B 20060101

G06Q-0040/00 C I B 20060101

US Classification, Issued: 70537

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-J05A1; T01-J12C; T01-J12D

25/5/3 (Item 3 from file: 350)

DIALOG(R)File 350:Derwent WPIX

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0018609382 - Drawing available

WPI ACC NO: 2009-B07828/200906

Computer implemented enhanced equity linked security providing system for use by e.g. investment administrator, has software managing financing arrangement having reversible swap for payment stream in exchange for lower conversion price

Patent Assignee: LEHMAN BROS HOLDINGS INC (LEHM-N)

Inventor: NORA EV D; ORTIZ D Z A

Patent Family (1 patents, 1 countries)

Patent			Application			
Number	Kind	Date	Number	Kind	Date	Update
US 20090012883	A1	20090108	US 2003464371	P	20030422	200906 B
			US 2004789920	A	20040227	
			US 2007732726	A	20070403	

Priority Applications (no., kind, date): US 2003464371 P 20030422; US 2004789920 A 20040227; US 2007732726 A 20070403

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20090012883	A1	EN	12	4	Related to Provisional US 2003464371 Continuation of application US 2004789920 Continuation of patent US 7249083

Alerting Abstract US A1

NOVELTY - The system has a stored software creating and managing a financing arrangement with an investor of an asset-linked convertible security having associated original conversion price for an asset i.e. equity, linked to the asset-linked convertible security e.g. debt instrument, where the arrangement comprises a reversible swap for a payment



stream in exchange for a lower effective conversion price. The software stored creates and manages the payment stream extending for a select period into the future.

DESCRIPTION - An INDEPENDENT CLAIM is also included for a computer implemented method for providing enhanced ~~equity~~ linked security.

USE - Computer implemented system for providing enhanced ~~equity~~ linked security for use by an investment administrator and a broker/dealer.

ADVANTAGE - The arrangement enables the purchaser of the installment callspread to make a series of knock-out prevention coupon payments to the broker/dealer throughout the life of the trade, and enables the callspread buyer to walk-away from the callspread by terminating the knock-out prevention coupons, thus facilitating the installment callspread to instantly walk-away without any further payments or obligations when the market changes make the call-spread overlay irrelevant. The system enables the issuer to pay a stream of payments over the contract life to the broker/dealer, thus forming an installment structure for effectively reducing the up-front costs of the arrangement. The system enables the issuer to use a part of the profits from the issuance to purchase an installment callspread option to increase protection against potential dilution so as to reduce the upfront premium.

DESCRIPTION OF DRAWINGS - The drawing shows a logic flow diagram illustrating the system account management.

Title Terms/Index Terms/Additional Words: COMPUTER; IMPLEMENT; ENHANCE; LINK; SECURE; SYSTEM; INVESTMENT; ADMINISTER; SOFTWARE; MANAGE; ARRANGE; REVERSE; PAY; STREAM; EXCHANGE; LOWER; CONVERT; PRICE

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0010/00 A I F B 20060101

~~G06Q-0040/00~~ A I L B 20060101

G06Q-0010/00 C I B 20060101

~~G06Q-0040/00~~ C I B 20060101

US Classification, Current Main: 705-030000; Secondary: 705-035000, 705-037000

US Classification, Issued: 70530, 70537, 70535

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-J05A1; T01-J05A2

25/5/4 (Item 4 from file: 350)

DIALOG(R)File 350:Derwent WPIX

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0016853865 - Drawing available

WPI ACC NO: 2007-568925/200755

XRPX Acc No: N2007-438411

Method for performing financial transaction for e.g. dividend enhanced common/convertible stocks, involves using acceleration triggers which accelerates remarketing date and coupon and/or forward purchase contract

Patent Assignee: CITIGROUP GLOBAL MARKETS INC (CITI-N)

Inventor: FARR C

Patent Family (1 patents, 1 countries)

Patent Application

Number	Kind	Date	Number	Kind	Date	Update
US 7257555	B1	20070814	US 2003458419	P	20030331	200755 B
			US 2004812902	A	20040331	

Priority Applications (no., kind, date): US 2003458419 P 20030331; US 2004812902 A 20040331

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 7257555	B1	EN	7	3	Related to Provisional US 2003458419

Alerting Abstract US B1

NOVELTY - The method involves accelerating a forward purchase contract which purchases a equity share at a predetermined future contract date and a predetermined remarketing date and a coupon of fixed income instrument by acceleration triggers. The equity shares to the investors are issued on the predetermined future contract date after the occurrence of the predetermined triggering events.

DESCRIPTION - An INDEPENDENT CLAIM is included for financial instrument method.

USE - For offering mandatory convertible securities such as dividend enhanced common convertible stocks (DECS).

ADVANTAGE - The triggering parameters, terms and conditions which are attractive to the investors are set as desired by the issuer based on is capital raising objectives, so that structural financial products are offered to the issuer with the same benefits of an upper DECS.

DESCRIPTION OF DRAWINGS - The figure shows a timeline for various events associated with the mandatory convertible security.

Title Terms/Index Terms/Additional Words: METHOD; PERFORMANCE; FINANCIAL; TRANSACTION; DIVIDE; ENHANCE; COMMON; CONVERT; STOCK; ACCELERATE; TRIGGER ; DATE; COUPON; FORWARD; PURCHASE; CONTRACT

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I F B 20060101

G06Q-0040/00 C I F B 20060101

US Classification, Current Main: 705-03600R; Secondary: 705-035000

US Classification, Issued: 70536.R, 70535

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-J05A1; T01-J05A2F

25/5/5 (Item 5 from file: 350)

DIALOG(R)File 350:Derwent WPIX

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0015730755 - Drawing available

WPI ACC NO: 2006-292645/200630

XRPX Acc No: N2006-249541

Method of generating source of contingent capital for company e.g. insurance company, involves issuing instrument including fixed income instrument and warrant to purchase equity securities of related corporate entity, to investor

Patent Assignee: MORGAN STANLEY (MORG-N)

Inventor: AZIM K; MCMURTRAY N

Patent Family (1 patents, 1 countries)

Patent			Application			
Number	Kind	Date	Number	Kind	Date	Update
US 20060080193	A1	20060413	US 2004960460	A	20041007	200630 B

Priority Applications (no., kind, date): US 2004960460 A 20041007

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing	Notes
US 20060080193	A1	EN	17	9		

#### Alerting Abstract US A1

NOVELTY - The company is entered into put option agreement with an entity that permits the company to put preferred stock of the company to the trust. The company is also entered into a warrant agreement with the entity that permits the entity to buy equity securities e.g common stock of a corporate entity. The trust issues instrument including a fixed income instrument and a warrant to purchase equity securities, to investor.

DESCRIPTION - INDEPENDENT CLAIMS are also included for the following:

- 1.convertible instrument;
- 2.financing structure for generating source of contingent capital;
- 3.method for arranging financing structure; and
- 4.method for offering convertible instrument.

USE - For generating source of contingent capital for company such as insurance company e.g. monoline insurer.

ADVANTAGE - Obtains standby letters of credit from bank or issued auction-rate preferred (ARP) securities.

DESCRIPTION OF DRAWINGS - The figure shows a financing structure for generating source of contingent capital for company.

Title Terms/Index Terms/Additional Words: METHOD; GENERATE; SOURCE; CAPITAL ; COMPANY; INSURANCE; ISSUE; INSTRUMENT; FIX; INCOME; PURCHASE; SECURE; RELATED; ENTITY

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I F B 20060101

G06Q-0040/00 C I L B 20060101

ECLA: G06Q-040/00C

US Classification, Current Main: 705-035000

US Classification, Issued: 70535

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-J05A1; T01-J05A2E

25/5/6 (Item 6 from file: 350) \*\*\*\*\* Your case \*\*\*\*\*  
DIALOG(R)File 350:Derwent WPIX  
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0014777374 - Drawing available  
WPI ACC NO: 2005-125047/200514  
XRPX Acc No: N2005-107806

Structured financial product offering method for e.g. corporation,  
involves establishing independent trust that issues  
mandatorily convertible securities with cash  
distribution, where trust purchases common stock  
shares

Patent Assignee: CITIGROUP GLOBAL MARKETS INC (CITI-N); FARR C (FARR-I);  
ORTNER W (ORTN-I); RIFKIN A (RIFK-I)

Inventor: FARR C; ORTNER W; RIFKIN A

Patent Family (6 patents, 38 countries)

Patent Number	Kind	Date	Application Number	Kind	Date	Update
EP 1503319	A1	20050202	EP 2004103589	A	20040727	200514 B
CA 2473813	A1	20050129	CA 2473813	A	20040713	200514 E
US 20050027630	A1	20050203	US 2003628208	A	20030729	200514 E
JP 2005050345	A	20050224	JP 2004221208	A	20040729	200515 E
CN 1577351	A	20050209	CN 200410059062	A	20040729	200532 E
MX 2004007312	A1	20050601	MX 20047312	A	20040728	200604 E

Priority Applications (no., kind, date): US 2003628208 A 20030729

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
EP 1503319	A1	EN	12	4	
Regional Designated States, Original: AL AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HR HU IE IT LI LT LU LV MC MK NL PL PT RO SE SI SK TR					
CA 2473813	A1	EN			
JP 2005050345	A	JA	22		

Alerting Abstract EP A1

NOVELTY - The method involves establishing an independent trust.  
The trust issues mandatorily convertible securities  
with associated cash distribution. The trust purchases  
shares of common stock with proceeds. The  
trust issues a call spread portfolio on the  
purchased shares of the common stock. The  
trust receives other proceeds from this issuance of the  
portfolio. The trust retains sufficient funds to pay out the case  
distribution.

USE - Used for offering a structured financial product for business  
entities e.g. corporation.

ADVANTAGE - The method reduces the common stock price impact of the  
overall transaction as compared to the solely common stock offering.

DESCRIPTION OF DRAWINGS - The drawing shows a structural overview of a  
novel debit exchange for common stock \*\*DECS \*\*.

- 110 Investor
- 120 Trust
- 130 Entity
- 140 Treasury market

Title Terms/Index Terms/Additional Words: STRUCTURE; FINANCIAL; PRODUCT;  
OFFER; METHOD; CORPORATION; ESTABLISH; INDEPENDENT; ISSUE;  
CONVERT; SECURE; CASH; DISTRIBUTE; PURCHASE; COMMON; STOCK;  
SHARE

#### Class Codes

International Classification (Main): G06F-015/00, G06F-017/60

ECLA: G06Q-040/00B

US Classification, Current Main: 705-03600R

US Classification, Issued: 70536

JP Classification

FI Term	Facet Rank Type
G06F-017/60 206	
G06F-017/60 234 C	

F-Term	View Point	Additional
Theme	+ Figure	Code
5B055		

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-J05A2F

25/5/7 (Item 7 from file: 350)

DIALOG(R)File 350:Derwent WPIX

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0014621581 - Drawing available

WPI ACC NO: 2004-803569/200479

XRPX Acc No: N2004-633429

Investment holding for convertible bond investor, has return to provide equity conversion for underlying equity security based on future contingent events, where derivative instrument payment is provided on installment basis

Patent Assignee: LEHMAN BROS HOLDINGS INC (LEHM-N); NORA EV D (NORA-I);  
ORTIZ D Z A (ORTI-I)

Inventor: NORA EV D; ORTIZ D Z A; ORTIZ DE ZEVALLOS A

Patent Family (4 patents, 106 countries)

Patent Number	Kind	Date	Application Number	Kind	Date	Update
US 20040215541	A1	20041028	US 2003464371	P	20030422	200479 B
			US 2004789920	A	20040227	
WO 2004095196	A2	20041104	WO 2004US12369	A	20040422	200479 E
JP 2006524399	W	20061026	WO 2004US12369	A	20040422	200670 E
			JP 2006513205	A	20040422	
US 7249083	B2	20070724	US 2004789920	A	20040227	200749 E

Priority Applications (no., kind, date): US 2003464371 P 20030422; US 2004789920 A 20040227

Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20040215541	A1	EN	13	4	Related to Provisional US 2003464371
WO 2004095196	A2	EN			

National Designated States, Original: AE AG AL AM AT AU AZ BA BB BG BR BW BY BZ CA CH CN CO CR CU CZ DE DK DM DZ EC EE EG ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NA NI NO NZ OM PG PH PL PT RO RU SC SD SE SG SK SL SY TJ TM TN TR TT TZ UA UG US UZ VC VN YU ZA ZM ZW

Regional Designated States, Original: AT BE BG BW CH CY CZ DE DK EA EE ES FI FR GB GH GM GR HU IE IT KE LS LU MC MW MZ NL OA PL PT RO SD SE SI SK SL SZ TR TZ UG ZM ZW

JP 2006524399 W JA 13 PCT Application WO 2004US12369  
Based on OPI patent WO 2004095196

Alerting Abstract US A1

NOVELTY - The vehicle has a return for providing an equity conversion for a select underlying equity security based on future contingent events. A derivative instrument coupled to the security provides an option to purchase shares. The instrument itself is contingent and is canceled prior to a future date. A payment for the instrument is provided on an installment basis.

DESCRIPTION - INDEPENDENT CLAIMS are also included for the following:

- 1.a data processing system for implementing and managing investment vehicles
- 2.an investment method implemented by an investment administrator and/or broker-dealer.

USE - Used for a convertible bond investor.

ADVANTAGE - The cost efficiency is combined with flexibility of the vehicle for raising capital while limiting a potential for stock dilution. The vehicle provides a novel security, which favorably alters the effective conversion price for a convertible bond issuer. The flexibility of the vehicle is modified to address current and future market conditions. The flexibility increases the vehicle usefulness to a broad spectrum of potential visitors.

DESCRIPTION OF DRAWINGS - The drawing shows a schematic block illustration delineating the use of installment payments by an issuer to increase the conversion price of equity linked security and reduce potential equity dilution.

Title Terms/Index Terms/Additional Words: INVESTMENT; HOLD; CONVERT; BOND; RETURN; UNDERLYING; SECURE; BASED; FUTURE; EVENT; DERIVATIVE; INSTRUMENT; PAY; BASIS

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I F B 20060101

G06Q-0040/00 A I R 20060101

G06F S I R 20060101

G06Q-0040/00 C I F B 20060101

G06Q-0040/00 C I R 20060101

ECLA: G06Q-040/00B, G06Q-040/00C

US Classification, Current Main: 705-035000

US Classification, Issued: 70535, 70536.R, 70535

#### JP Classification

FI Term	Facet Rank Type
G06F-017/60	234 C

F-Term	View Point	Additional
Theme	+ Figure	Code
5B055		

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-N01A2F; T01-S03

25/5/8 (Item 8 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
(c) 2009 Thomson Reuters. All rts. reserv.

0014043121 - Drawing available

WPI ACC NO: 2004-225327/200421

XRPX Acc No: N2004-178046

Data processing operation performing method for security structure, involves tracking payment status of installment payment due to warrant stored representative of allocated proceeds such that payment is applied to warrant

Patent Assignee: JONES E P (JONE-I); SCHOEN K (SCHO-I); TODD J (TODD-I)

Inventor: JONES E P; SCHOEN K; TODD J

Patent Family (1 patents, 1 countries)

Patent Number	Kind	Date	Application Number	Kind	Date	Update
US 20040039669	A1	20040226	US 2002381571	P	20020517	200421 B
			US 2003440831	A	20030519	

Priority Applications (no., kind, date): US 2002381571 P 20020517; US 2003440831 A 20030519

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20040039669	A1	EN	16	4	Related to Provisional US 2002381571

#### Alerting Abstract US A1

NOVELTY - The method involves structuring a warrant with a requirement to purchase a fixed number of shares in a stock of an issuer (101). Proceeds are issued from an issuance of a security to a debt. A payment status of installment payment is tracked due to the warrant and based on storing representative of allocated proceeds such that the payment is applied to the warrant, where the payment is distinct from the proceeds.

DESCRIPTION - An INDEPENDENT CLAIM is also included for a security issued by an issuer.

USE - Used for performing data processing operation associated with a security issued by an issuer and a security structure

ADVANTAGE - The payment status of installment payment is tracked due to the warrant and based on storing the representative of allocated proceeds such that the payment is applied to the warrant, thereby effectively performing the data processing operations associated with the security structure.

DESCRIPTION OF DRAWINGS - The drawing shows data processing operations and a security structure associated with maturity of a warrant.

101Issuer

103SQATRZ investor

105Debt investor

Title Terms/Index Terms/Additional Words: DATA; PROCESS; OPERATE; PERFORMANCE; METHOD; SECURE; STRUCTURE; TRACK; PAY; STATUS; STORAGE; REPRESENT; ALLOCATE; PROCEED; APPLY

#### Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0040/00 A I R 20060101

G06Q-0040/00 C I R 20060101

ECLA: G06Q-040/00B

US Classification, Current Main: 705-035000

US Classification, Issued: 70535  
File Segment: EPI;  
DWPI Class: T01  
Manual Codes (EPI/S-X): T01-N01A1

25/5/9 (Item 9 from file: 350)  
DIALOG(R)File 350:Derwent WPIX  
(c) 2009 Thomson Reuters. All rts. reserv.  
0013881743 - Drawing available  
WPI ACC NO: 2004-060652/200406  
XRPX Acc No: N2004-049095  
Financial instrument management method in corporation, involves  
paying specific percent of income as dividends to investors,  
when specific percent of entity is owned by investors  
Patent Assignee: ABERMAN R (ABER-I); KAPERST S C (KAPE-I); KAPLAN T K  
(KAPL-I); KRISSEL J (KRIS-I); MERRILL LYNCH & CO INC (MERR-N); STEIN R  
L (STEI-I); KANLAN T K (KANL-I)  
Inventor: ABERMAN R; KAPERST S C; KAPLAN T K; KRISSEL J; STEIN R L; KANLAN  
T K  
Patent Family (4 patents, 101 countries)  
Patent Application  
Number Kind Date Number Kind Date Update  
US 20030225656 A1 20031204 US 2003249884 A 20030514 200406 B  
WO 2004104889 A1 20041202 WO 2003US16565 A 20030522 200479 E  
AU 2003231856 A1 20041213 AU 2003231856 A 20030522 200512 E  
US 20060218069 A1 20060928 US 2003249884 A 20030514 200664 NCE  
WO 2003US16565 A 20030522  
US 2005557553 A 20050923  
Priority Applications (no., kind, date): US 2003249884 A 20030514; US  
2005557553 A 20050923

#### Patent Details

Number	Kind	Lan	Pg	Dwg	Filing Notes
US 20030225656	A1	EN	15	2	
WO 2004104889	A1	EN			

National Designated States,Original: AE AG AL AM AT AU AZ BA BB BG BR BY  
BZ CA CH CN CO CR CU CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID  
IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ  
NI NO NZ OM PH PL PT RO RU SC SD SE SG SK SL TJ TM TN TR TT TZ UA UG US  
UZ VC VN YU ZA ZM ZW

Regional Designated States,Original: AT BE BG CH CY CZ DE DK EA EE ES FI  
FR GB GH GM GR HU IE IT KE LS LU MC MW MZ NL OA PT RO SD SE SI SK SL SZ  
TR TZ UG ZM ZW

AU 2003231856	A1	EN	Based on OPI patent	WO 2004104889
US 20060218069	A1	EN	Continuation of application	US
2003249884				

PCT Application WO 2003US16565

#### Alerting Abstract US A1

NOVELTY - An entity (41) such as real-estate investment trust  
(REIT) of a corporation (40) is monitored to determine whether  
hundreds or more investors are in the entity. Ninety percent of income of  
the entity which is paid to investors are dividends when fifty  
percent or more of entity is owned by five or fewer investors.

DESCRIPTION - An INDEPENDENT CLAIM is also included for system comprising



business entities.

USE - For managing financial instrument such as total capital of corporation.

ADVANTAGE - Financial institution provides favorable regularity treatment of capital by paying ninety percent of income of entity of investors.

DESCRIPTION OF DRAWINGS - The figure shows a flow diagram of the financial institution management process.

- 40 corporation
- 41 entity
- 42 investors
- 43 stock
- 44 cash

Title Terms/Index Terms/Additional Words: FINANCIAL; INSTRUMENT; MANAGEMENT ; METHOD; CORPORATION; PAY; SPECIFIC; INCOME; ENTITY

Class Codes

International Classification (+ Attributes)

IPC + Level Value Position Status Version

G06Q-0030/00	A	I		R	20060101
G06Q-0040/00	A	I	F	B	20060101
G06Q-0030/00	C	I		R	20060101
G06Q-0040/00	C	I	F	B	20060101

ECLA: G06Q-030/00C

US Classification, Current Main: 705-03600R, 705-037000

US Classification, Issued: 70536, 70537

File Segment: EPI;

DWPI Class: T01

Manual Codes (EPI/S-X): T01-J05A1; T01-J05A2C; T01-J05A2F; T01-N01A2F

## B. Patent Files, Full-Text

File 349:PCT FULLTEXT 1979-2009/UB=20090806|UT=20090730

(c) 2009 WIPO/Thomson

File 348:EUROPEAN PATENTS 1978-200932

(c) 2009 European Patent Office

Set	Items	Description
S1	674358	TRUST OR TRUSTS OR TRUSTEE?? OR (CORPORATE OR BUSINESS)() (- ENTITY OR ENTITIES) OR CORPORATION?? OR THIRD() (PARTY OR PART-IES) OR ISSUER??
S2	13250	(ISSUE?? OR ISSUING OR ISSUA? OR SELL?) (15N) (SECURITY OR S-ECURITIES OR STOCK OR STOCKS OR BOND OR BONDS OR (INVESTMENT - OR FINANCIAL OR DEBT)() (INSTRUMENT?? OR PRODUCT?? OR VEHICLE?-?) OR DECS OR EQUITY OR EQUITIES OR MANDATOR?() (CONVERTIBLE?? OR EXCHANGEABLE??))
S3	39811	(S2 OR FIRST OR 1ST OR INITIAL OR PRIMARY OR ORIGINAL OR E-ARLIEST) (25N) (PROCEEDS OR (MONEY OR AMOUNT) (5N) RECEIV? OR INC-OME OR EARNINGS OR PROFIT??)
S4	33339	(PURCHAS? OR BUY OR BUYS OR BUYING OR BOUGHT OR OBTAIN? OR ACQUIR? OR ACQUISITION?) (15N) (COMMON() STOCK OR SHARE?? OR RIG-HT??)
S5	89	(CALL OR OPTION??)() SPREAD??
S6	26713	(S5 OR SECOND OR 2ND OR SUBSEQUENT OR LATER) (25N) (PROCEEDS

OR (MONEY OR AMOUNT) (5N)RECEIVE?? OR INCOME OR EARNINGS OR PROFIT??)

S7 18883 (FUND? OR SATISF? OR PROVID? OR PAY OR PAYS OR PAID OR PAYING OR PAYOUT?) (10N) (COUPON?? OR CASH())DISTRIBUTION?? OR DIVIDEND?? OR PAYMENT??)

S8 4 S1(S)S2(S)S5

S9 4 S1(S)S4(S)S5

S10 131 S1(S)S3(S)S6

S11 55 S10(S) (S2 OR S4 OR S5 OR S7)

S12 35 S11 AND IC=(G06F-017/60 OR G06F-0017/60 OR G06F-015/00 OR - G06F-0015/00 OR G06Q-040/00 OR G06Q-0040/00)

S13 14 S10(S)S2(S)S4

S14 13 S13 AND IC=(G06F OR G06Q)

S15 60 S1(S)S2(S)S4(S) (S3 OR S6)

S16 29 S15(S)S7

S17 25 S16 AND IC=(G06F-017/60 OR G06F-0017/60 OR G06F-015/00 OR - G06F-0015/00 OR G06Q-040/00 OR G06Q-0040/00)

S18 15 S1(S)S2(S)S4(S)S3(S)S6

S19 14 S18 AND IC=(G06F OR G06Q)

S20 15 S8 OR S9 OR S14 OR S19

S21 14 S20 AND AY=1950:2004

21/3,K/1 (Item 1 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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01381150 \*\*Image available\*\*

SYSTEM & METHOD FOR THE CREATION OF A GLOBAL SECURE COMPUTERIZED ELECTRONIC MARKET-MAKING EXCHANGE FOR CURRENCY YIELDS ARBITRAGE

SYSTEME ET PROCEDE DESTINES A CREEER UN SYSTEME DE CHANGE ELECTRONIQUE INFORMATISE SECURISE MONDIAL POUR TENUE DE MARCHE DESTINE A L'ARBITRAGE DE RENDEMENTS DE DEVICES

Patent Applicant/Inventor:

DE LA MOTTE Alain L, 2460 S.E. Larkspur Ct., Hillsboro, OR 97123, US, US (Residence), MU (Nationality), (Designated for all)

Legal Representative:

COOPER David P (agent), Kolisch Hartwell, P.C., 520 S.W. Yamhill Street, Suite 200, Portland, OR 97204, US

Patent and Priority Information (Country, Number, Date):

Patent: WO 200663086 A2-A3 20060615 (WO 0663086)

Application: WO 2005US44327 20051208 (PCT/WO US2005044327)

Priority Application: US 2004634897 20041208

Designated States:

(All protection types applied unless otherwise stated - for applications 2004+)

AE AG AL AM AT AU AZ BA BB BG BR BW BY BZ CA CH CN CO CR CU CZ DE DK DM DZ EC EE EG ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KM KN KP KR KZ LC LK LR LS LT LU LV LY MA MD MG MK MN MW MX MZ NA NG NI NO NZ OM PG PH PL PT RO RU SC SD SE SG SK SL SM SY TJ TM TN TR TT TZ UA UG US UZ VC VN YU ZA ZM ZW

(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IS IT LT LU LV MC NL PL PT RO SE SI SK TR

(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG

(AP) BW GH GM KE LS MW MZ NA SD SL SZ TZ UG ZM ZW

(EA) AM AZ BY KG KZ MD RU TJ TM

Publication Language: English  
Filing Language: English  
Fulltext Word Count: 24353

International Patent Class (v8 + Attributes)  
IPC + Level Value Position Status Version Action Source Office:  
G06Q-0040/00...  
Fulltext Availability:  
Claims

#### Claim

payable to the investor in such note. The credit risk of a credit-linked note is the same as that of the ~~issuax~~ risk associated with the underlying asset pool. The term "currency" means any lawful money of a country issued by that country's Central Bank. In...

...to any currency. 1 5 A "custodian" means a bank or securities firm that is designated to act as custodian for Available Funds of the ~~Trust~~ and other ~~Trust~~ Funds. A "debt instrument" is a written promise to repay a debt, evidenced by an acceptance, promissory note, or bill of exchange. The term also applies to formal debt securities such as bonds and debentures. The terms "defeasance" or "defeasement" apply to a refinancing technique in which a note or ~~bond issuer~~, instead of redeeming the instruments at the call date, continues to make coupon interest payments from an Irrevocable ~~Trust~~ and has deposited into the ~~trust~~ assets that will be used for the repayment of principal at maturity. The cash flow from ~~trust~~ assets, ordinarily U.S. Treasury securities or zero-coupon securities, must be sufficient to service the instruments until the expected maturity. Defeasance effectively removes the instruments from the ~~issuer's~~ balance sheets, even though the ~~issuax~~ continues to meet ~~bond~~ interest payments. For the purpose of this invention defeasement is used in the sense that any and all risks associated with the debt service (principal and interest) has be shifted to the ~~issuax~~ of the instruments that are part of the portfolio of collateral with the resulting benefit that the credit risk for the lender is not based on the balance sheet strength of the transaction manager, but on that of the ~~issuax~~ of the collateral. A "defeased loan" means a loan in which the credit risk associated with a particular loan has been shifted from that of the borrower's financial strength to a I 00% reliance on the credit risk associated with the ~~issuax~~ of the ~~securities~~ or ~~debt instruments~~ offered as collateral in a secured loan transaction. In this invention a defeased loan refers to the process of offsetting the debt service obligations of the borrower (through a security/pledge & assignment) with the ~~income~~ to be earned from one or more ~~securities~~ of a third-party ~~issuax~~ that provides 100% of the cash flows necessary to meet any and all debt service obligations of the borrower to the lender. A "derivative instrument..."

...interest rates go up. The phrases "escrow assets" or "simultaneous escrow closing assets" represent the money, securities, or other property or instruments held by a third party (e.g. a law firm or title company acting as the escrow agent) until all the conditions of a contract are met whereupon the "escrow..."

21/3,K/3 (Item 3 from file: 349)  
 DIALOG(R)File 349:PCT FULLTEXT  
 (c) 2009 WIPO/Thomson. All rts. reserv.  
 01213391  
 ENHANCED PARIMUTUEL WAGERING  
 PARI DU TYPE PARI MUTUEL AMELIORE  
 Patent Applicant/Assignee:  
 LONGITUDE INC, 2 Hudson Place, Hoboken, NJ 07030, US, US (Residence), US  
 (Nationality), (For all designated states except: US)  
 Patent Applicant/Inventor:  
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 US, US (Residence), US (Nationality), (Designated only for: US)  
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 , US (Nationality), (Designated only for: US)  
 HARTE Marcus, 389 Garretson Road, Bridgewater, NJ 08807, US, US  
 (Residence), IE (Nationality), (Designated only for: US)  
 Legal Representative:  
 WEISS Charles A (agent), Kenyon & Kenyon, One Broadway, New York, NY  
 10004, US  
 Patent and Priority Information (Country, Number, Date):  
 Patent: WO 200519986 A2-A3 20050303 (WO 0519986)  
 Application: WO 2004US25434 20040806 (PCT/WO US2004025434)  
 Priority Application: US 2003640656 20030813  
 Designated States:  
 (All protection types applied unless otherwise stated - for applications  
 2004+)  
 AE AG AL AM AT AU AZ BA BB BG BR BW BY BZ CA CH CN CO CR CU CZ DE DK DM  
 DZ EC EE EG ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC  
 LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NA NI NO NZ OM PG PH PL PT RO  
 RU SC SD SE SG SK SL SY TJ TM TN TR TT TZ UA UG US UZ VC VN YU ZA ZM ZW  
 (EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IT LU MC NL PL PT RO  
 SE SI SK TR  
 (OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
 (AP) BW GH GM KE LS MW MZ NA SD SL SZ TZ UG ZM ZW  
 (EA) AM AZ BY KG KZ MD RU TJ TM  
 Publication Language: English  
 Filing Language: English  
 Fulltext Word Count: 182513

Main International Patent Class (v7): G06F

International Patent Class (v8 + Attributes)  
 IPC + Level Value Position Status Version Action Source Office:  
 G06Q-0040/00...  
 ...US  
 G06Q-0099/00...  
 ...US  
 G06F-0017/00...  
 ...US  
 G06F-0019/00...  
 Fulltext Availability:  
 Detailed Description  
 Claims

Detailed Description

... declines in Corporate bond prices. Conventional fixed income and convertible bond managers can protect against equity exposures without a short sale of the corresponding equity shares.

(4) Obtaining low-risk, incremental returns. Market participants can use deep-in-the-money DBAR contingent claims, including, for example, digital options, based on earnings as a...options, lookback options, automatic and flexible caps and floors, and shout options.

Many types of exotic options are currently traded. For example, barrier options are rights to purchase an underlying financial product, such as a quantity of foreign currency, for a specified rate or price, but only if, for example, the underlying exchange...

...that did occur, divided by the total number of shares invested in that state. An indicative distribution of trader demand in units of number of shares is shown below, assuming that the total traded amount is 100,000 shares.

Amount Traded in Number of Return Per Share if State Occurs  
State Share Unit Returns in Number of  
Shares

(0183] 17,803 4.617

(83088] 72,725 .37504

(88, oo] 91472 9.5574

If, for instance, MSFT closes at 91 at expiration, then...

...are numbers of shares of stock, then the magnitude of the final outcome does matter, since the trader receives as a payout a number of shares which can be converted to more dollars at a higher outcome price of \$91 per share. For instance, for a payout of 105.574 shares, these shares are ExjTnRle 3 21: Rgplication of An ArbitrM Payout Distribution An advantage of the systems and methods of the present invention is that, in preferred...of economic significance in a demand-based market or auction. For example, such derivatives can include futures, forwards, swaps, floating rate notes and other structured financial products. Alternatively, derivatives strategies, securities (as well - @37as other financial products or instruments) and derivatives thereof can be converted into equivalent DBAR contingent claims or into...

21/3,K/4 (Item 4 from file: 349)

DIALOG(R)File 349:PCT FULLTEXT

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01181707 \*\*Image available\*\*

FINANCIAL INSTRUMENTS AND METHODS

INSTRUMENTS ET PROCEDES FINANCIERS

Patent Applicant/Assignee:

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US (Residence), US (Nationality), (For all designated states except:  
US)

Patent Applicant/Inventor:

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US (Nationality)

KAPERST Stuart C, 180 E 79th St #10F, New York, NY 10021, US, US

(Residence), US (Nationality)  
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 KRISSEL Jonathan, Merrill Lynch & Co. Inc., 250 Vesey Street - 28th floor, New York, NY 10080, US, US (Residence), US (Nationality)  
 STEIN Russell L, 10 Karens Ln, Englewood Cliffs, NJ 07632, US, US (Residence), US (Nationality)  
 Legal Representative:  
 OPPEDAHL Carl (agent), Oppedahl & Larson LLP, P O Box 5068, Dillon, CO 80435-5068, US,  
 Patent and Priority Information (Country, Number, Date):  
 Patent: WO 2004104889 A1 20041202 (WO 04104889)  
 Application: WO 2003US16565 20030522 (PCT/WO US03016565)  
 Priority Application: US 2003249884 20030514  
 Designated States:  
 (Protection type is "patent" unless otherwise stated - for applications prior to 2004)  
 AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU CZ DE DK DM DZ  
 EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR  
 LS LT LU LV MA MD MG MK MN MW MX MZ NI NO NZ OM PH PL PT RO RU SC SD SE  
 SG SK SL TJ TM TN TR TT TZ UA UG US UZ VC VN YU ZA ZM ZW  
 (EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IT LU MC NL PT RO SE  
 SI SK TR  
 (OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
 (AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
 (EA) AM AZ BY KG KZ MD RU TJ TM  
 Publication Language: English  
 Filing Language: English  
 Fulltext Word Count: 11736  
 Main International Patent Class (v7): G06F-017/60  
 Fulltext Availability:  
 Detailed Description  
 Claims

#### Claim

... with a plurality of investors, the method comprising the steps of:  
 establishing by the first entity, a second entity comprising a real estate investment trust; ~~issuing~~ preferred stock of the real estate investment trust to the plurality of investors, each ~~share~~ of which is associated with an equity contract relating to the ~~purchase~~ by the holder of the preferred stock of ~~common stock~~ of the first entity;  
 at the real estate investment trust, paying dividends from the real estate investment trust to the investors; and  
 at the real...

...real estate investment trust. 106. The method of claim 104 wherein the step of establishing the real estate investment trust is performed contemporaneously with the ~~issuing~~ of the preferred stock of the real estate investment trust to the plurality of shareholders. 107. The method of claim 104 wherein the equity contract comprises a forward contract obligating the holder of the stock to ~~purchase~~ ~~common stock~~ of the first entity at a date in the future.

3 1

. The method of claim 104 wherein the real estate investment trust performs the...

...real estate investment trust is exchanged is preferred stock of the first entity.

1 1 3. A system comprising first and second business entities; the first entity comprising a corporation having shares of common stock outstanding; the second entity comprising a corporation holding real-estate-related assets and deriving income therefrom;

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the second entity further characterized as having shares of preferred stock outstanding; share of preferred stock of the second entity associated with an equity contract relating to the purchase by the holder of the preferred stock of common stock of the first entity; the second entity further characterized as being able to deduct dividends paid from its income. 114. The system of claim 113 wherein the equity contract comprises a forward contract obligating its holder to purchase common stock of the first entity at a date in the future. I 1 5. The system of claim 1 1 3 wherein the first entity is a financial institution. I 1 6. The system of claim 1 1 5 wherein the second entity is a real estate investment trust. I 1 7. The system of claim 1 1 3 wherein the preferred stock is exchangeable for capital stock of the first entity upon the...

...for which the preferred stock of the second entity is exchanged is preferred stock of the first entity.

121. A system comprising first and second business entities; the first entity comprising a corporation having shares of common stock outstanding;

3 3

the second entity comprising a real estate investment trust holding real-estate-related assets and deriving income therefrom; the second entity further characterized as having shares of preferred stock outstanding; each share of preferred stock of the second entity associated with an equity contract relating to the purchase b' the holder of the preferred stock of common stock of the first entity;

y

the second entity further characterized as being able to deduct dividends paid from its income. 122. The system of claim 121 wherein the equity contract comprises a forward contract obligating its holder to purchase common stock of the first entity at a date in the future. 123. The system of claim 121 wherein the first entity is a financial institution. 124. The system of...

...distress of the second entity. 128. The method of claim 125 wherein the capital stock for which the preferred stock of the real estate investment trust is exchanged is preferred stock of the first entity.

34

. A method for use in connection with a financial institution regulated by a regulator and...

...in connection with a plurality of investors, the method comprising the steps of establishing, by the financial institution, a second entity

holding real-estate;--related assets; issuing preferred stock of the second entity to the plurality of investors, each share of which is associated with an equity contract relating to the purchase by the holder of the preferred stock of common stock of the first 'entity; at the second entity, deducting dividends paid to the investors from its income; whereby the Tier I or Tier 2 capitalization of the financial institution is increased. 130. The method of claim 129 wherein the step of establishing the second entity is performed contemporaneously with the issuing of the preferred stock of the second entity to the plurality of shareholders. 131. The method of claim 129 wherein the equity contract comprises a forward contract obligating the holder of the stock to purchase common stock of the financial institution at a date in the future. 132. The method of claim 129 wherein the second entity is a real estate investment trust. 133. The method of claim 129 further comprising the step of exchanging the preferred stock of the second entity for capital stock of the financial institution...

21/3,K/5 (Item 5 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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01056423 \*\*Image available\*\*  
DERIVATIVES HAVING DEMAND-BASED, ADJUSTABLE RETURNS, AND TRADING EXCHANGE THEREFOR  
PRODUITS DERIVES PRESENTANT DES RENDEMENTS AJUSTABLES BASES SUR LA DEMANDE ET ECHANGES COMMERCIAUX ASSOCIES  
Patent Applicant/Assignee:  
LONGITUDE INC, 650 Fifth Avenue, New York, NY 10019, US, US (Residence), US (Nationality)  
Inventor(s):  
LANGE Jeffrey, 3 East 84th Street, Apt. 3, New York, NY 10028, US,  
BARON Kenneth, 51 West 86th Street, Apt. 602, New York, NY 10024, US,  
Legal Representative:  
WEISS Charles A (et al) (agent), Kenyon & Kenyon, One Broadway, New York, NY 10004, US,  
Patent and Priority Information (Country, Number, Date):  
Patent: WO 200385491 A2-A3 20031016 (WO 0385491)  
Application: WO 2003US7990 20030313 (PCT/WO US03007990)  
Priority Application: US 2002115505 20020402  
Designated States:  
(Protection type is "patent" unless otherwise stated - for applications prior to 2004)  
AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU CZ DE DK DM DZ  
EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR  
LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO RU SC SD SE SG  
SK SL TJ TM TN TR TT TZ UA UG UZ VC VN YU ZA ZM ZW  
(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR HU IE IT LU MC NL PT RO SE  
SI SK TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM  
Publication Language: English  
Filing Language: English



Fulltext Word Count: 136258

Main International Patent Class (v7): G06F-017/60

Fulltext Availability:

Detailed Description

Claims

Claim

- ...to DBAR digital options. 87 A fund manager wishing to avoid market risk at the current time but who still wants exposure to Microsoft can buy the .43 Earnings per Share Call (consensus currently 45) with reasonable confidence that reported earnings will be 43 cents or higher. Should Microsoft report earnings as expected, the trader earns approximately 33% on invested demand-based trading digital option premium (i.e., 1 / option price of .7525). Conversely, should Microsoft report earnings below 43 cents, the invested premium A more aggressive strategy would involve selling or underweighting Microsoft stock, while purchasing a string of digital options on higher than expected EPS growth. In this case, the trader expects a multiple contraction to occur over...
- ...on the notional \$5,000,000, invested at 5%. - 88 A trader with a view on a range of earnings expectations for the quarter can profit from a spread strategy over the distribution. By purchasing the .42 call and selling the .46 call, the trader can construct a digital option spread priced at: .8423 - .3675 = This spread would, consequently, pay out:  $1/.4748 = 2.106$ , for every dollar invested. Many trades can be constructed using demand...
- ...for example, digital options can be based on a measure or parameter related to Cisco revenues, such as the gross revenues reported by the Cisco Corporation. The underlying event for these claims is the quarterly or annual gross revenue figure for Cisco as calculated and released to the public by the...
- ...declines in corporate bond prices. Conventional fixed income and convertible bond managers can protect against equity exposures without a short sale of the corresponding equity shares. (4) Obtaining low-risk, incremental returns. Market participants can use deep-in-the-money DBAR contingent claims, including, for example, digital options, based on earnings as a...
- ...speeds. Converse penalties apply in events of increases in interest rates, where a discount MBS suffers from adverse price change, and a decline in prepayment income. A discount MBS owner could offset diminished prepayment income by investing in DBAR contingent claims, such as, for example, digital put options, or digital put option spreads on prepayments. An analogous strategy would apply to principal-only mortgage-backed securities. (5) Prepayment calls plus premium MBS. An expectation of interest rate declines...used U.S. dollars as the value units for investments and payouts. This Example 3 20 illustrates a group of DBAR contingent claims for a common stock in which the invested units and payouts are defined in quantities of shares. For this example, the terms and conditions of Example 3 1 are generally used for the group of contingent claims on MSFI' common stock, except...

...payouts which can only be generated with difficulty and expense in traditional markets, such as the distribution of payouts for a long position in a ~~stock~~ that is subject to being "stopped out" by having a marketmaker ~~sell~~ the ~~stock~~ when it reaches a certain price below the market price. Such stop-loss orders are notoriously difficult to execute in traditional markets, and traders are... demand-based trading options on central bank target rates to lower their portfolio's overall volatility. (5) Managing short-term funding costs. Banks and large ~~corporations~~ often borrow short-term funds at a rate highly correlated with central bank target rates, e.g., U.S. banks borrow at a rate that...

...based markets or auctions can be structured to trade DBAR contingent claims, including, for example, digital options, based on hybrid securities that contain both fixed-income and equity features, such as convertible bond prices. For example, DBAR contingent claims can be based on an underlying event defined as the closing price...

21/3,K/6 (Item 6 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
(c) 2009 WIPO/Thomson. All rts. reserv.  
00994559 \*\*Image available\*\*  
DIGITAL OPTIONS HAVING DEMAND-BASED, ADJUSTABLE RETURNS, AND TRADING EXCHANGE THEREFOR  
OPTIONS NUMERIQUES A RETOURS AJUSTABLES BASEES SUR LA DEMANDE ET BOURSE D'ECHANGES COMMERCIAUX AFFERENTE  
Patent Applicant/Assignee:  
LONGITUDE INC, 650 Fifth Avenue, New York, NY 10019, US, US (Residence), US (Nationality)  
Inventor(s):  
LANGE Jeffrey, 3 East 84th Street, Apt. 3, New York, NY 10028, US,  
Legal Representative:  
WEISS Charles A (et al) (agent), Kenyon & Kenyon, One Broadway, New York, NY 10004, US,  
Patent and Priority Information (Country, Number, Date):  
Patent: WO 200323575 A2-A3 20030320 (WO 0323575)  
Application: WO 2002US30309 20020909 (PCT/WO US02030309)  
Priority Application: US 2001950498 20010910  
Designated States:  
(Protection type is "patent" unless otherwise stated - for applications prior to 2004)  
AE AG AL AM AT AU AZ BA BB BG BR BY BZ CA CH CN CO CR CU CZ DE DK DM DZ EC EE ES FI GB GD GE GH GM HR HU ID IL IN IS JP KE KG KP KR KZ LC LK LR LS LT LU LV MA MD MG MK MN MW MX MZ NO NZ OM PH PL PT RO RU SD SE SG SI SK SL TJ TM TN TR TT TZ UA UG UZ VC VN YU ZA ZM ZW  
(EP) AT BE BG CH CY CZ DE DK EE ES FI FR GB GR IE IT LU MC NL PT SE SK TR  
(OA) BF BJ CF CG CI CM GA GN GQ GW ML MR NE SN TD TG  
(AP) GH GM KE LS MW MZ SD SL SZ TZ UG ZM ZW  
(EA) AM AZ BY KG KZ MD RU TJ TM  
Publication Language: English  
Filing Language: English  
Fulltext Word Count: 122079  
Main International Patent Class (v7): G06F--017/60  
Fulltext Availability:

Detailed Description  
Claims

Claim

First Trading Period Start Date: 4/19/99

First Trading Period End Date 5/19/99

Current Trading Period Start Date: 7/6/99

Current Trading Period End Date: 7/9/99

5 Next...to DBAR digital options. - 92 A fund manager wishing to avoid market risk at the current time but who still wants exposure to Microsoft can buy the .43 Earnings per Share Call (consensus currently

45) with reasonable confidence that reported earnings will be 43 cents or higher. Should Microsoft report earnings as expected, the trader earns approximately 33% on invested demand-based trading digital option premium (i.e., 1 / option price of .7525). Conversely, should Microsoft report earnings below 43 cents, the invested premium would be lost, but the consequences for Microsoft's stock price would likely be dramatic. A more aggressive strategy would involve selling or underweighting Microsoft stock, while purchasing a string of digital options on higher than expected EPS growth. In this case, the trader expects a multiple contraction to occur over...on the notional \$5,000,000, invested at 5%. - 93 A trader with a view on a range of earnings expectations for the quarter can profit from a spread strategy over the distribution. By purchasing the .42 call and selling Z@ ID

the .46 call, the trader can construct a digital option

spread priced at: .8423 - .3675

= This spread would, consequently, pay off:  $1/.4745 = 2.106$ , for every dollar invested. Many trades can be constructed using demand-based trading for DBAR contingent claims, including, for example, digital options, based on corporate earnings. The examples shown here are intended to be representative, not definitive. Moreover, demand-based trading products can be based on corporate accounting measures, including a wide variety of generally accepted accounting information from corporate balance sheets, income statements, and other measures of cash flow, such as earnings before interest, taxes, depreciation, and amortization (EBITDA). The following examples

15 provide a further the Cisco Corporation. The underlying event for these claims is the quarterly or annual gross revenue figure for Cisco as calculated and released to the public by the...declines in corporate bond prices. Conventional fixed income and convertible bond managers can protect against equity exposures without a short sale of the corresponding equity shares. (4) Obtaining low-risk, incremental returns. Market participants can use deep-in-the-money DBAR contingent claims, including, for example, digital options, based on earnings as a source...A discount MBS owner could offset diminished prepayment income by investing in DBAR contingent claims, such as, for example, digital put options, or digital put option spreads on prepayments. An analogous

TP

strategy would apply to principal- ...15: Securitization Using a DBAR Contingent Claim Mechanism

The systems and methods of the present invention can also be adapted by a financial intermediary or issuer for the issuance of securities such as bonds, common or preferred stock, or other types of financial instruments. The process of creating

new opportunities for hedging underlying events through the creation of new securities is known as "securitization," and is also discussed in an embodiment presented in Section

10 Well-known examples of securitization include the mortgage and ... bonds in the traditional markets. This example illustrates how a group of DBAR contingent claims according to the present invention can be tied to the issuance of a security in order to share risk associated with an identified future event among the security holders. In this example, the security is a fixed income bond with an embedded group of DBAR contingent claims whose value depends on the possible values for hurricane losses over some time period for some geographic region.

21/3,K/12 (Item 12 from file: 349)  
DIALOG(R)File 349:PCT FULLTEXT  
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00339391 \*\*Image available\*\*  
SYSTEM AND METHOD FOR RISK TRANSFER AND DIVERSIFICATION THROUGH THE USE OF  
ASSURANCE ACCOUNTS  
SYSTEME ET PROCEDE DE TRANSFERT ET DE DIVERSIFICATION DE RISQUE A L'AIDE DE  
COMPTES D'ASSURANCE  
Patent Applicant/Assignee:  
KING Douglas L,  
BARCLAY Alasdair G,  
WELLMAN Rockie C,  
Inventor(s):  
KING Douglas L,  
BARCLAY Alasdair G,  
WELLMAN Rockie C,  
Patent and Priority Information (Country, Number, Date):  
Patent: WO 9621903 A1 19960718  
Application: WO 96US51 19960111 (PCT/WO US9600051)  
Priority Application: US 9560 19950109  
Designated States:  
(Protection type is "patent" unless otherwise stated - for applications  
prior to 2004)  
AL AM AU AZ BB BG BR BY CA CN CZ EE FI GE HU IS JP KG KP KR KZ LK LR LS  
LT LV MD MG MK MN MX NO NZ PL RO RU SG SI SK TJ TM TR TT UA UZ VN KE LS  
MW SD SZ UG AZ BY KZ RU TJ TM AT BE CH DE DK ES FR GB GR IE IT LU MC NL  
PT SE BF BJ CF CG CI CM GA GN ML MR NE SN TD TG  
Publication Language: English  
Fulltext Word Count: 19816  
  
Main International Patent Class (v7): G06F-017/60  
Fulltext Availability:  
Detailed Description  
Claims

#### Claim

... activities. Finally, the present invention provides for the involvement of internal management and staff of insurer-entity as in a capital leveraging structure, combined with third party professional specialists. The present

embodiment has the objective to maintain a sound and orderly marketplace, permitting capital participants easy access to accepting and assuming risks on the exchange, and third-party specialists the ability to facilitate trades for a fee and in

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SUBSTITUTE SHEET (RULE 26)

some cases to trade for their own accounts. Primary shareholders' focus is on management's causing the collective resources of the enterprise to generate a profit for them as the owners of the enterprise.

Transactional capital equity participants also have an ownership interest in the enterprise, albeit restricted to a portion...

...of a particular risk, while taking all prudent actions to minimize the possibility of future losses. However, in obtaining additional funds above premium and investment income to support a risk, it must obtain those funds from primary shareholder capital allocated by management and/or transactional capital allocated in some cases by investment managers. Since in the present embodiment, an underwriter's compensation...thus maintaining a natural hedge for its risk taking losses. Unlike traditional insurers, who then attempt to recover their losses through substantially increased premiums in subsequent years, these increases theoretically could provide substantially improved earnings for the building materials supplier in years where its materials profits are under pressure from an oversupply in the marketplace, post catastrophic event, To achieve a similar objective, the prior art would only permit the materials supplier to invest in the shares of an insurance company established specifically to accept property catastrophe risks or to buy lumber or property catastrophe futures contracts, The latter may involve a substantial amount of volatility, requires a thorough knowledge of the risks of taking futures...accreting at notional rates sufficient to accrue enough funds to meet each liabilities as it becomes due. As policies are

- 38

SUBSTITUTE SHEET (RULE 26)

issued,, a "charge" or "security interest" is placed on the insurer-entity's Reserved Assets in an amount equal to these present value amounts and their future increases based on...and debt participants as well as accounting for the allocation of these amounts to risk acceptance, investment, and administrative reserves, For example, a capital investor purchases \$50 million of a special series preference share dedicated to a specific type of risk, These funds would be used to support the issuance of policies accepting that risk, The shares might...degradation of assets within the insurer-entity's portfolio. The surveillance function will focus on investment portfolio mix to monitor diversification of AAA government issuers, debt obligation types, and to assure that at all times, the insurer-entity's investment portfolio is capable of supporting the payment of a total...RULE 26)

other means of attracting capital either through the system

or by other means, Funds or capital may be raised by the entity by issuing financial instruments, selling shares in the entity, borrowing, or other means.  
s Entity consultants may include rating agencies, certified accountants, actuaries, consulting actuaries, insurance and financial underwriters or...

21/3,K/14 (Item 2 from file: 348) \*\*\*\*\* Your case \*\*\*\*\*

DIALOG(R)File 348:EUROPEAN PATENTS

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01849816

Method and system for providing mandatorily convertible securities with an associated call spread against a trust

Verfahren und System zur Bereitstellung eines zu wandelnden Wertpapiers mit einem assoziierten Treuhand call spread

Procede et systeme de mise a disposition de titres obligatoirement convertibles avec un call spread associe a un trust

PATENT ASSIGNEE:

Citigroup Global Markets, Inc., (4939360), 388 Greenwich Street, New York, New York 10013, (US), (Applicant designated States: all)

INVENTOR:

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LEGAL REPRESENTATIVE:

Johansson, Lars-Erik et al (9205661), Hynell Patenttjanst AB Patron

Carls vag 2, 683 40 Hagfors / Uddeholm, (SE)

PATENT (CC, No, Kind, Date): EP 1503319 A1 050202 (Basic)

APPLICATION (CC, No, Date): EP 2004103589 040727;

PRIORITY (CC, No, Date): US 628208 030729

DESIGNATED STATES: DE; ES; FR; GB; IT

EXTENDED DESIGNATED STATES: AL; HR; LT; LV; MK

INTERNATIONAL PATENT CLASS (V7): G06F-017/60

ABSTRACT WORD COUNT: 186

NOTE:

Figure number on first page: 1

LANGUAGE (Publication,Procedural,Application): English; English; English

FULLTEXT AVAILABILITY:

Available Text	Language	Update	Word Count
CLAIMS A	(English)	200505	503
SPEC A	(English)	200505	2773
Total word count - document A			3276
Total word count - document B			0
Total word count - documents A + B			3276

INTERNATIONAL PATENT CLASS (V7): G06F-017/60

...SPECIFICATION drawings, showing methods and systems for a novel DECS with an associated call spread retained by the original selling shareholder(s) through an established independent trust and alternatively retained by a third-party intermediary.

FIG. 1 shows an example of an almagamated structural diagram of the novel DECS using an established independent trust, in accordance with an

embodiment...

...shares of the second entity's common stock owned by the first entity (for mandatory conversion) to the investor(s) 110 who is the Trust DECS holder in accordance with the conventional DECS payout formula mentioned earlier.

In FIG. 2C, on the issue date the trust 120 uses the \$250 million proceeds from the Trust DECS sale to acquire shares of the second entity's common stock from the first entity in order to satisfy the aforementioned mandatory conversion requirement. This allows the first entity 120 to recognize any accounting gain/loss on its underlying position in the second entity up front on the day of sale of the Trust DECS. It should be noted that a portion of the \$250 million proceeds is used for transactional costs typically associated with setting up DECS (thus, e.g., FIG. 2C shows that only \$240 million worth of shares are purchased by the trust).

In FIG. 2D, in addition to issuing the Trust DECS on the issue date, the trust 120 sells to the first entity 130 a call spread that allows the first entity 130 to receive from the trust 120 any shares of the second entity's common stock not required to be delivered to the investor(s) 110 as the Trust DECS holder at maturity. This happens when the second entity's common stock price outperforms during the life of the trust 120. The example in FIGs. 1 and 2 show that the first entity 130 pays \$50 million for the call spread. For instance, the call spread that the first entity 130 purchased allows the first entity 130 to retain a certain percentage of the initial upside (e.g., 20% appreciation of...

...with the mandatory conversion requirement mentioned earlier. In FIG. 2H, also at maturity of the Trust DECS, the first entity 130 can exercise its previously-purchased call spread on any residual shares of the second entity's common stock that are still held by the trust 120. Hence, as mentioned earlier, the first entity can receive some of the upside appreciation of the second entity's common stock during the life of the trust 120, and the Trust DECS allows the first entity 130 access to an equity-linked convertible market. The call spread also can be purchased or retained by the investment institution 50 or any party other than the first entity 130 in order to receive some of the upside appreciation of the second entity's common stock during the life of the trust 120, as described next.

FIG. 3 shows an example of an amalgamated structural diagram of the novel DECS using a separate business entity 320 as...

### III. Text Search Results from Dialog

#### A. NPL Files, Abstract

File 141:Readers Guide 1983-2009/Jun  
(c) 2009 The HW Wilson Co  
File 139:EconLit 1969-2009/Jul  
(c) 2009 American Economic Association  
File 583:Gale Group Globalbase(TM) 1986-2002/Dec 13  
(c) 2002 Gale/Cengage  
File 474:New York Times Abs 1969-2009/Aug 12  
(c) 2009 The New York Times  
File 475:Wall Street Journal Abs 1973-2009/Aug 12  
(c) 2009 The New York Times  
File 35:Dissertation Abs Online 1861-2009/Jul  
(c) 2009 ProQuest Info&Learning  
File 65:Inside Conferences 1993-2009/Aug 11  
(c) 2009 BLDSC all rts. reserv.  
File 99:Wilson Appl. Sci & Tech Abs 1983-2009/Jul  
(c) 2009 The HW Wilson Co.  
File 256:TecTrends 1982-2009/Aug W2  
(c) 2009 Info.Sources Inc. All rights res.  
File 2:INSPEC 1898-2009/Aug W1  
(c) 2009 The IET

Set	Items	Description
S1	301796	TRUST OR TRUSTS OR TRUSTEE?? OR (CORPORATE OR BUSINESS)() (- ENTITY OR ENTITIES) OR CORPORATION?? OR THIRD() (PARTY OR PART-IES) OR ISSUER??
S2	115746	(ISSUE?? OR ISSUING OR ISSUA? OR SELL?) (S) (SECURITY OR SEC-URITIES OR STOCK OR STOCKS OR BOND OR BONDS OR (INVESTMENT OR FINANCIAL OR DEBT)() (INSTRUMENT?? OR PRODUCT?? OR VEHICLE??) - OR DECS OR EQUITY OR EQUITIES OR MANDATOR?() (CONVERTIBLE?? OR EXCHANGEABLE??))
S3	155376	(S2 OR FIRST OR 1ST OR INITIAL OR PRIMARY OR ORIGINAL OR E-ARLIEST) (S) (PROCEEDS OR (MONEY OR AMOUNT) (5N) RECEIV? OR INCOME OR EARNINGS OR PROFIT??)
S4	222052	(PURCHAS? OR BUY OR BUYS OR BUYING OR BOUGHT OR OBTAIN? OR ACQUIR? OR ACQUISITION?) (S) (COMMON() STOCK OR SHARE?? OR RIGHT-??)
S5	64	(CALL OR OPTION??) () SPREAD??
S6	61310	(S5 OR SECOND OR 2ND OR SUBSEQUENT OR LATER) (S) (PROCEEDS OR (MONEY OR AMOUNT) (5N) RECEIVE?? OR INCOME OR EARNINGS OR PROF-IT??)
S7	21614	(FUND? OR SATISF? OR PROVID? OR PAY OR PAYS OR PAID OR PAY-ING OR PAYOUT?) (10N) (COUPON?? OR CASH() DISTRIBUTION?? OR DIVI-DEND?? OR PAYMENT??)
S8	10144	S1 AND S2
S9	0	S8 AND S5
S10	823	S8 AND S4
S11	184	S10 AND (S3 OR S6)
S12	11	S11 AND S7
S13	7	S10 AND S3 AND S6



S14	0	S1 AND S5
S15	4	S2 AND S5
S16	74	S8 AND (S3 OR S6) AND S7
S17	10	S8 AND S3 AND S6 AND S7
S18	28	S12 OR S13 OR S15 OR S17
S19	22	S18 NOT S18/2004:2009
S20	22	RD (unique items)

20/5/1 (Item 1 from file: 141)  
 DIALOG(R)File 141:Readers Guide  
 (c) 2009 The HW Wilson Co. All rts. reserv.  
 04046057 H.W. WILSON RECORD NUMBER: BRGA99046057  
 U.P.S. going public and its employees hope for windfall.  
 Zuckerman, Laurence.  
 New York Times (Late New York Edition) (July 22 1999) p. A1+  
 DOCUMENT TYPE: Corporate Profile ISSN: 0362-4331  
 LANGUAGE: English  
 COUNTRY OF PUBLICATION: United States  
 RECORD TYPE: Abstract RECORD STATUS: Corrected or revised record

ABSTRACT: For 92 years, United Parcel Service of America Inc. has resisted persistent calls to go public, but in the latest sign that Wall Street's siren song is too hard to resist in an age of instant wealth and the Internet, UPS has announced that it will ~~sell~~ 10 percent of itself to the public ~~later~~ this year. The UPS ~~stock~~ offering promises to be one of the biggest in history, resulting in \$3 billion to \$5 billion. What's more, UPS ~~shares~~ are expected to skyrocket because the company is a prime deliverer of goods ~~purchased~~ on the Internet. According to UPS chairman and chief executive James P. Kelly, the company has structured the deal in a way that preserves the company's culture, but once its ~~stock~~ begins trading, UPS is bound to come under the type of pressure for short-term ~~profits~~ felt by other large corporations.

DESCRIPTORS:  
 Initial public offerings (Securities)  
 Corporate profile  
 COMPANY NAME: United Parcel Service of America, Inc.-- --Securities

20/5/2 (Item 2 from file: 141)  
 DIALOG(R)File 141:Readers Guide  
 (c) 2009 The HW Wilson Co. All rts. reserv.  
 02541442 H.W. WILSON RECORD NUMBER: BRGA93041442  
 Borrowing short, lending long.  
 AUGMENTED TITLE: tax-exempt term ~~trusts~~  
 Weberman, Ben, d. 1994  
 Forbes (Forbes) v. 152 (Aug. 16 '93) p. 131  
 DOCUMENT TYPE: Feature Article ISSN: 0015-6914  
 LANGUAGE: English  
 COUNTRY OF PUBLICATION: United States  
 RECORD TYPE: Abstract RECORD STATUS: New record

ABSTRACT: Tax-exempt leveraged term ~~trusts~~ are an investment option for those seeking additional yields with some risk. Unlike most closed-end ~~bond~~ funds, these ~~trusts~~ mature on the date investors are supposed to get their capital back. The ~~trust~~ works simply enough:

Capital is raised through the issuance of variable-rate preferred stock paying low, money-market-level dividends and from the sale of common shares. Proceeds are then invested in medium- to long-term municipal bonds. Unfortunately, if interest rates rise too much, yields take a dive. Investors should never buy term trusts at original issues and should only purchase them in the secondary market if discounts to net asset values are 4 percent or better, and the investors want to buy on margin. Only a few organizations, such as BlackRock Financial Management and Piper Capital Management, have brought municipal term trusts to market.

DESCRIPTORS:

Term trusts--Taxation; Municipal bonds

SPECIAL FEATURES: il

20/5/3 (Item 3 from file: 141)  
DIALOG(R)File 141:Readers Guide  
(c) 2009 The HW Wilson Co. All rts. reserv.  
02508499 H.W. WILSON RECORD NUMBER: BRGA93008499  
SIRENs: convertibles with a tricky shift.  
Warner, Joan.  
Business Week (Bus Week) (Feb. 8 '93) p. 130  
DOCUMENT TYPE: Feature Article ISSN: 0007-7135  
LANGUAGE: English  
COUNTRY OF PUBLICATION: United States  
RECORD TYPE: Abstract RECORD STATUS: New record

ABSTRACT: First Boston has invented a newfangled type of bond, the Step-up Income Redeemable Equity Note (SIREN). The bonds are intermediate-term convertibles with 2 coupons, paying below-market interest for a few years and then "stepping up" to a higher rate until the bond matures. SIRENs are convertible into common stock at any time at a price determined by the issuer. A potential investor should consult a bond expert before buying SIRENs.

DESCRIPTORS:

SIRENs (Step-up Income Redeemable Equity Notes)

20/5/4 (Item 4 from file: 141)  
DIALOG(R)File 141:Readers Guide  
(c) 2009 The HW Wilson Co. All rts. reserv.  
01791390 H.W. WILSON RECORD NUMBER: BRGA90041390  
AmBase shareholders are used to disappointments. But this . . .  
AUGMENTED TITLE: reneges on dividend it promised from sale of its Home Insurance Co. to Vik Brothers International  
Galen, Michele.  
Business Week (Bus Week) (Sept. 3 '90) p. 38  
DOCUMENT TYPE: Feature Article ISSN: 0007-7135  
LANGUAGE: English  
COUNTRY OF PUBLICATION: United States  
RECORD TYPE: Abstract RECORD STATUS: New record

ABSTRACT: AmBase investors are preparing to sue the financial services company either

to prevent the sale of its Home Insurance Company to the European investor group Vik Brothers International or to seek damages for alleged security fraud. Shareholders became irate when AmBase posted a surprise \$106 million second-quarter loss and then were notified that the company could not pay a special dividend that it had promised when Home Insurance was sold to Vik. According to AmBase, the company will have to use the proceeds from the \$905 million sale to pay off debt that was much bigger than investors suspected. In the investors' suit against AmBase, its directors, and its auditors, the shareholders charge that company officials kept the stock high by hiding the firm's poor financial situation. Investors are also angry over AmBase's decision to sell to Vik rather than to accept a more lucrative offer of \$955 million from the Menlo Park, California, investment firm Sequoia Associates.

DESCRIPTORS:

Insurance companies--Acquisitions and mergers; Dividends  
COMPANY NAME: Home Insurance Co.; Vik Brothers International.; AmBase Corporation.  
SPECIAL FEATURES: il

20/5/5 (Item 5 from file: 141)  
DIALOG(R)File 141:Readers Guide  
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01769577 H.W. WILSON RECORD NUMBER: BRGA90019577  
The Fortune 500.  
AUGMENTED TITLE: special section; with introd. by Ret Autry and Mark M. Colodny  
Fortune v. 121 (Apr. 23 1990) p. 337-41+  
DOCUMENT TYPE: Symposium ISSN: 0015-8259  
LANGUAGE: English  
COUNTRY OF PUBLICATION: United States  
RECORD TYPE: Abstract RECORD STATUS: Corrected or revised record

ABSTRACT: Part of a special issue presenting Fortune's 1989 listing of the 500 largest U.S. industrial corporations. General Motors again topped the list with \$127 billion in sales, followed by Ford. Mining and crude oil companies rose from near the bottom of the list to capture second place among industries. Pharmaceuticals had the best return on shareholder's equity for the fourth year in a row, followed closely by beverages. Overall sales rose 7 percent to a new record of \$2.16 trillion, and companies earned a median return on shareholders' equity of 15 percent, the third highest in 35 years. On the down side, profits for the 500 companies fell 8.2 percent in 1989 because of higher interest payments and strong foreign competition. Tables rank the companies and provide statistics on sales, earnings, assets, stockholders' equity, and market value.

DESCRIPTORS:

Corporations--Rating  
SPECIAL FEATURES: il

20/5/6 (Item 6 from file: 141)  
DIALOG(R)File 141:Readers Guide

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01521677 H.W. WILSON RECORD NUMBER: BRGA89021677  
Closing credits.  
AUGMENTED TITLE: C. Bronfman sells stake in Cineplex Odeon  
Daly, John.  
Maclean's (Macleans) v. 102 (Apr. 24 '89) p. 34  
DOCUMENT TYPE: Feature Article ISSN: 0024-9262  
LANGUAGE: English  
COUNTRY OF PUBLICATION: Canada  
RECORD TYPE: Abstract RECORD STATUS: New record

ABSTRACT: Garth Drabinsky, who has transformed Cineplex Odeon into North America's second-largest movie empire, has had to fight for control of his company. Focusing on Cineplex's enormous debt and disappointing earnings performance, stock market speculators in New York and Toronto have been borrowing Cineplex shares from brokerage firms and selling them, expecting the prices to fall. By repurchasing the shares later, the short-sellers, as they are known, can realize a profit. Drabinsky's backers, led by Charles Bronfman, a Montreal financier, have been buying Cineplex shares and bidding up the price, thus squeezing the short-sellers. In the most recent development, Bronfman's group announced that it will sell most of its shares privately to another group of Drabinsky backers, who include Toronto real estate developers Rudolph Bratty and John Daniels and investment dealer Gordon Capital Incorporated.

DESCRIPTORS:  
Securities--Short selling  
COMPANY NAME: Cineplex Odeon Corporation.  
NAMED PERSONS: Drabinsky, Garth,--1948-; Bronfman, Charles R.

20/5/7 (Item 7 from file: 141)  
DIALOG(R)File 141:Readers Guide  
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00509652 H.W. WILSON RECORD NUMBER: BRGA85009652  
Funds across the sea.  
McGough, Robert.  
Forbes (Forbes) v. 135 (Feb. 11 '85) p. 195  
DOCUMENT TYPE: Feature Article ISSN: 0015-6914  
LANGUAGE: English  
COUNTRY OF PUBLICATION: United States  
RECORD TYPE: Abstract RECORD STATUS: New record

ABSTRACT: British closed-end funds, called "investment trusts", offer profitable opportunities for Americans. Unlike closed-end funds in the United States, most British ones are bargains; American Trust, a Scottish investment firm with 80 percent of its assets in North American companies, is selling at a discount of 23 percent on its assets. Closed-end funds, with a fixed number of shares, are traded as stocks; prices may be driven up through liquidation or conversion into open-end funds, yielding profits for investors who bought at a discount. Those interested in speculating on the British pound can choose funds holding British securities. Brokers are not eager to sell British fund shares, but investors who persevere can gain tax benefits. Dividends are subject to a 15 percent British withholding tax, but that can be offset by foreign tax credits; British

trusts are not required to distribute capital gains, so they can accumulate.

DESCRIPTORS:

Mutual funds--Great Britain

SPECIAL FEATURES: il

20/5/8 (Item 1 from file: 139)

DIALOG(R)File 139:EconLit

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844495

TITLE: Social Security Investment In Equities I: Linear Case

AUTHOR(S): Diamond, Peter; Geanakoplos, John

AUTHOR(S) AFFILIATION: Center for Retirement Research at Boston College;

Center for Retirement Research at Boston College

PUBLICATION INFORMATION: Center for Retirement Research, Working Papers,

Center for Retirement Research at Boston College

PUBLICATION DATE: 2002

LANGUAGE: English

AVAILABILITY: [http://www.bc.edu/centers/crr/papers/wp\\_1999-02.pdf](http://www.bc.edu/centers/crr/papers/wp_1999-02.pdf)

DOCUMENT TYPE: Working Paper

ABSTRACT INDICATOR: Abstract

ABSTRACT: Among the elderly, Social Security income is distributed very differently than private pension and asset income. For the bottom quintile of the income distribution, 81 percent of income comes from Social Security, while only 6 percent is from pensions plus income from assets. For the top quintile, 23 percent comes from Social Security, while 46 percent is from pensions and assets - dramatically different percentages. Similarly, there are great differences in saving and investing among current workers. Among all those who were paying social security taxes in 1995, fully 59% held no stock, either directly or through pension plans. Even among those between 45 and 54 years of age, 50% held no stock, directly or indirectly. These differences have important implications for the proposal to invest part of Social Security trust fund reserves in private securities. This paper explores the equilibrium impact of social security trust fund portfolio diversification to include private securities. We evaluate the effects on relative prices, on welfare, and on investment. We use an overlapping-generations model with two types of representative agents, one of which does no saving (except through social security) and the other of which saves and adjusts her private portfolio in response to changes in rates of return (and, for simplicity is assumed not to be covered by social security). We refer to the two types of agents as workers and savers. In order to keep the analysis simple, social security is modeled as if it were a defined contribution system. Thus the analysis, although described in terms of trust fund investment, would hold equally well for social security individual accounts following the same investment strategy. The differences between defined benefit and defined contribution systems as distributors of rate-of-return risk have been explored in OLG models with a single representative agent. This paper is meant to complement those studies. There is a brief discussion of modeling a defined benefit plan in Section 9. Our major finding is that trust fund portfolio diversification into equities has substantial real effects, including the potential

for significant welfare improvements. Diversification raises the sum total of utility in the economy if household utilities are weighted so that the marginal utility of a dollar today is the same for every household. The potential welfare gains come from the presence of workers who do not invest their savings on their own. If relative prices remain constant after diversification, as they would if there were constant marginal returns to all kinds of investment, then this represents a (weak) Pareto gain, since no households would lose and the workers would gain. Moreover, in this case expected output increases. In this paper we concentrate on a tractable special case in which there are constant marginal returns in short-term risky investments, but no safe real investment. In this case, diversification changes the safe rate of interest, leaving the (expected) risky rate of return unchanged. Diversification still achieves a (weak) Pareto gain provided the marginal responses of taxes to interest rate changes match debt holdings, and there are no long-lived assets. Without these assumptions, however, diversification may involve redistributions within or across cohorts, so that a Pareto gain might require additional policy steps. Without long-lived assets and assuming that savers bear at least as large a share of taxes as of interest receipts, diversification increases the safe rate of interest, reducing the equity premium, since the expected risky rate of return stays the same (given the assumption of constant marginal returns). In this case diversification also increases aggregate investment, assuming normality of demands. An increase in the safe rate, however, increases government interest payments on its debt and forces a change in taxes. Given our hypothesis that savers pay more in taxes than they receive in interest payments on their government debt, the increase in taxes hurts savers. The fall in the equity premium also reduces the apparent advantage to diversifying the social security trust fund, but does not alter the conclusion that at least for small investments in equities, it raises the welfare of the workers. Moreover, the increase in the bond rate of return actually improves the returns for the trust fund assets remaining in bonds, and thus brings a second benefit to workers, provided their tax increase is not larger. If, in addition, there are infinitely-lived assets like land (with the same risk characteristics) as well as the one-period assets, diversification still increases aggregate investment and raises the safe rate of interest. The rise in the safe interest rate reduces the price of land, redistributing wealth from the elderly, who hold the long-lived assets at the time of implementation of the policy, to later cohorts who buy the land. The welfare effect of diversification on young savers is now ambiguous, since young savers are likely to pay more income taxes due to the government's increased debt burden while gaining from the fall of land prices. Land prices unambiguously fall because of our assumption of constant returns in the risky sector. In our companion paper, where we permit decreasing returns, we find that this result is often reversed, depending on the elasticity of marginal returns in the risky and safe sectors of production. To illustrate how this could happen, we consider here a model with constant marginal returns in short-term safe real investment but no short-term risky investment. In this case the price of risky land rises, reversing the direction of redistribution across cohorts. Our analysis bears directly on assertions that Social Security Trust Fund investment in equities is not of value to the economy, assertions which do not recognize the issues of income distribution and risk

bearing within a diverse cohort. This paper demonstrates that it is not adequate to consider trust fund policy in a representative agent model. Moreover, the analysis is relevant for assertions of those who consider only the potential return on individual accounts, ignoring the unfunded obligations of social security, the riskiness of equity investments, and the general equilibrium effects.

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COMPANY NAMES (DIALOG GENERATED): Social Security Trust Fund

20/5/9 (Item 2 from file: 139)

DIALOG(R)File 139:EconLit

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631904

TITLE: Privatization in Canada: Operating and Stock Price Performance with International Comparisons

AUTHOR(S): Boardman, Anthony E.; Laurin, Claude; Vining, Aidan R.

AUTHOR(S) AFFILIATION: U British Columbia; Ecole des Hautes Etudes Commerciales, Montreal; Simon Fraser U

JOURNAL NAME: Revue Canadienne des Sciences de l'Administration/Canadian Journal of Administrative Sciences,

JOURNAL VOLUME & ISSUE: 19 2,

PAGES: 137-54

PUBLICATION DATE: 2002

LANGUAGE: English

AVAILABILITY: <http://www3.interscience.wiley.com/journal/114269012/home>

ISSN: 0825-0383

DOCUMENT TYPE: Journal Article

ABSTRACT INDICATOR: Abstract

ABSTRACT: This paper analyzes the operating and stock price performance of the major Canadian share-issue privatizations, including Air Canada, Canadian National Railway, and Petro-Canada, and six provincial privatizations. First, using time-series accounting data, we examine changes in operating and financial performance before and after privatization. Second, we compare the Canadian performance experience to privatizations in other countries. Third, we examine the long-run effect of privatization on shareholder returns. The evidence indicates that privatization significantly improved the operating and financial performance of Canadian companies. Net income, profitability, efficiency, and dividend payments were significantly higher following privatization than before privatization. Employment and debt were significantly lower following privatization. Relative to privatizations in other industrialized countries, Canadian corporations did not grow as fast and had more layoffs. However, they experienced greater increases in profit and profitability, and larger reductions in debt. The increases in productivity, capital expenditures, and dividend payments were similar to firms in other countries. In the five years following privatization, shareholders of Canadian companies enjoyed significant, positive, market-adjusted buy-and-hold returns. This suggests that the operating performance improvements were larger than was expected at the time of privatization.

GEOGRAPHIC LOCATION DESCRIPTOR(S): Canada

REGIONAL INTEREST: Northern America

DESCRIPTOR(S) (1991 to Present): Asset Pricing; Trading volume; Bond Interest Rates (G120); Comparison of Public and Private Enterprises;

Privatization; Contracting Out (L330); Payout Policy (G350);  
Privatization; Stock Price; Stocks  
COMPANY NAMES (DIALOG GENERATED): Air Canada ; Canadian National Railway ;  
Petro Canada

20/5/10 (Item 3 from file: 139)  
DIALOG(R)File 139:EconLit  
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392227  
TITLE: Research in finance. Supplement 2  
AUTHOR(S): Chen, Andrew H.; Chan, K. C., eds.  
PUBLICATION INFORMATION: Greenwich, Conn. and London: JAI Press, PAGES:  
xii, 280  
PUBLICATION DATE: 1996  
LANGUAGE: English  
ISBN: 0-7623-0138-4  
DOCUMENT TYPE: Book  
ABSTRACT INDICATOR: Abstract  
ABSTRACT: Fourteen papers, resulting from the Second Annual  
Conference of the Asian Pacific Finance Association held in Hong Kong  
in July 1995, explore current research in finance. Papers focus on the  
developing directions of derivatives regulation; the lead-lag  
relationship between the stock market and stock index  
futures market in Japan; evidence from four Asia-Pacific markets on  
long-memory volatility in stock returns; corporate financial  
policy under asymmetric information; loan guarantees and the optimal  
financing and investment policies of multinational corporations;  
optimal conversion terms of a corporate convertible bond;  
security price reaction to rights issues; unconditional  
first and conditional second moment effects; return and  
payout measures in markets with interlocking ownership in Japan;  
stock dividends in Korea; the cross-section of expected  
stock returns in Hong Kong; a theoretical model of earnings  
, dividends, and returns; Australian evidence on cointegration and  
tests of present value models; and the mixture of distributions  
hypotheses and the price volume relationship in Australian futures  
markets. Chen is at Southern Methodist University. Chan is at the Hong  
Kong University of Science and Technology. No index.  
DESCRIPTOR(S) (1991 to Present): General Financial Markets: General  
(includes Measurement and Data) (G100); Finance; Stock Market  
COMPANY NAMES (DIALOG GENERATED): Asian Pacific Finance Association ; Hong  
Kong University of Science and Technology ; Second Annual Conference of  
the Asian Pacific Finance Association ; Southern Methodist University

20/5/12 (Item 1 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
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06385063  
Measures to promote the financial and banking services  
MALAYSIA: BUDGET PROMOTES SECURITIES INDUSTRY  
The Star (XAT) 26 Oct 1996 Business P. 4  
Language: ENGLISH

In the 1997 Federal government budget released on 25 October, a number of



measures were revealed to promote the securities industry. Malaysia government will allow foreign brokerages to issue call warrants, manage company listings, get involved in fund management, underwriting and electronic share transactions (subject to conditions). Foreign brokerages will also be permitted to acquire up to 49% equity in local brokerages. In the debt security market, government will issue bonds to provide the market with benchmark yields, allow private companies to issue bonds, and relax the investment guidelines to enable more investment in bonds by Employers Provident Fund, Social Security Organisation (SOCSO) and Bank Simpanan Nasional. In the stock market, an over-the-counter market may be established to trade the shares of high technology firms which are presently not profitable. In the area of trust funds, gains from close-ended funds will be tax exempt, as well as shareholders dividends declared out of exempted income. Local fund managers will also get to enjoy the 10% concessionary tax rate on income derived from offshore funds management, on par with the tax rate enjoyed foreign based funds managers.

EVENT: Government Domestic Functions (97); National Government Economics (94);

COUNTRY: Malaysia (9MAO);

20/5/14 (Item 3 from file: 583)  
DIALOG(R)File 583:Gale Group Globalbase(TM)  
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04994110  
Cardif degage plus de 168 millions de resultat en 1991  
FRANCE - CARDIF INCREASED NET PROFIT BY 15% IN 1991  
Agence Economique & Financiere (AEF) 16 March 1992 p4  
ISSN: 0755-1940  
Language: French

Cardif, insurance company, 75% owned by Compagnie Bancaire, had a net consolidated profit of FFfr168.6 mil in 1991, up 15% from FFfr146.2 mil in 1990, on revenue from premiums of FFfr7.4 bil, up 27% from 1990. Technical provisions were FFfr35.8 bil, up 20%. Total risks managed, comprising technical insurance provisions, unit trusts, and capital on behalf of third parties, rose 25% to FFfr46.9 bil. Some 48% of turnover was from business acquired through banks, up 28% from 1990. The direct sector which accounted for 28% of turnover, rose 52%. Provident funds accounted for 17% of turnover and 24% of profit, and are expected to grow. A goodwill payment of FFfr56 mil for Pinnacle (UK) which was acquired by Cardif in 1991, will be spread over three FYs, including FFfr14 mil in 1991. Profitability in 1991 was 14.2% of equity and is expected to reach 15% in 1992. Some 20% of profit will be paid out in dividends. Shareholders will have the option of taking dividends in the form of shares, as Cardif plans a new share issue. Some 25% of Cardif's share capital is publicly owned. British pension funds and institutions have taken sizeable stakes in Cardif, but less than the 5% threshold.\*\*

COMPANY: CARDIF; COMPAGNIE BANCAIRE

PRODUCT: Life Assurance (6310); Insurance (6300);  
EVENT: COMPANY REPORTS & ACCOUNTS - ANNUAL (83);  
COUNTRY: France (4FRA); Northern Europe (414); OECD Europe (415); European  
Economic Community Countries (419); NATO Countries (420); South East  
Asia Treaty Organisation (913);

20/5/15 (Item 1 from file: 474)  
DIALOG(R)File 474:New York Times Abs  
(c) 2009 The New York Times. All rts. reserv.  
08011183 NYT Sequence Number: 979066030123  
DIVIDEND PLAN IS OF LITTLE USE TO MARGIN BUYERS  
Norris, Floyd  
New York Times, Col. 5, Pg. 1, Sec. C  
Thursday January 23 2003  
DOCUMENT TYPE: Newspaper JOURNAL CODE: NYT LANGUAGE: English  
RECORD TYPE: Abstract

ABSTRACT:

Bush administration says investors who want to buy stocks with borrowed money will find that dividends received will be taxable even after other dividends are no longer taxed; Treasury Department discloses plan to make dividends taxable if they come from 'debt-financed stock'; says it will extend existing provision, known as Section 246A, that applies to corporations that buy stock with borrowed money; dividends from such shares do not qualify for existing tax break on dividends paid by one corporation to another; 21st Securities tax director Mark Fichtenbaum says investor who uses home-equity loan to buy stock could find that dividends are taxable; stock prices could fall if investors sell stock to pay off margin loans (M)

COMPANY NAMES: Treasury Department; Twenty-First Securities  
DESCRIPTORS: Taxation; Law and Legislation; Tax Exemptions; Credit; United States Economy; Taxation; Stocks and Bonds  
PERSONAL NAMES: Norris, Floyd; Bush, George W (Pres); Fichtenbaum, Mark  
GEOGRAPHIC NAMES: United States

20/5/16 (Item 2 from file: 474)  
DIALOG(R)File 474:New York Times Abs  
(c) 2009 The New York Times. All rts. reserv.  
00754290 NYT Sequence Number: 025068770605  
(Lawyer Stuart M Speiser proposes system of 'universal capitalism' to improve soc conditions in US and abroad which would make available to everyone \$100,000 diversified stock portfolio to be financed by Govt-guaranteed long-term loans. Holds that weakness of present system of 'mixed' capitalism is that reservoir of corporate capital is generally fed by internal funds and debt which tends to limit number of owners and shareholders and to limit wealth to this class. Proposed system would make corporations pay for capital outlays by issuing common stock, freeing internal funds to be used as dividends. Speiser claims that massive infusion of purchasing power would diminish social unrest and crime, would cause all to root for higher corporate profits, increase production and replace soc ins payments with 'returned earned by productive capital'. Also points out that present wealth would not be disturbed, nor would Constitution be violated because it makes no provisions for capital ownership. Contrasts

proposal to existing legis efforts to promote employee stock ownership plan, which limit recipients to minority of workers who are already better off than most Amers. Diagram (L).)

SPEISER, STUART M

New York Times, Col. 3, Pg. 14, Sec. 3

Sunday June 5 1977

DOCUMENT TYPE: Newspaper JOURNAL CODE: NYT LANGUAGE: English

RECORD TYPE: Abstract

SPECIAL FEATURES: Diagram

DESCRIPTORS: CAPITAL FORMATION; CAPITAL INVESTMENT; CAPITALISM;  
CONSTITUTIONS AND CHARTERS; ~~CORPORATIONS~~; CRIME AND CRIMINALS;  
DIVIDENDS; EMPLOYEE OWNED COMPANIES; FINANCES; GOVERNMENT-GUARANTEED  
LOANS; SOCIAL CONDITIONS AND TRENDS; STANDARDS AND STANDARDIZATION;  
STOCKS AND BONDS (GENERAL)

PERSONAL NAMES: SPEISER, STUART M

GEOGRAPHIC NAMES: UNITED STATES

20/5/19 (Item 1 from file: 35)

DIALOG(R)File 35:Dissertation Abs Online

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01893847 ORDER NO: AADAA-INQ69144

Essays on semiparametric efficient adaptive estimation and empirical applications in finance

Author: Sun, Yiguo

Degree: Ph.D.

Year: 2002

Corporate Source/Institution: University of Toronto (Canada) (0779)

Adviser: Andonis Yatchew

Source: VOLUME 63/06-A OF DISSERTATION ABSTRACTS INTERNATIONAL.

PAGE 2320. 167 PAGES

Descriptors: ECONOMICS, COMMERCE-BUSINESS ; ECONOMICS, FINANCE

Descriptor Codes: 0505; 0508

ISBN: 0-612-69144-6

This thesis is composed of three chapters. The first two chapters construct semiparametric efficient adaptive estimators: one is for asymmetric GARCH-in-mean models; the other is for single-index models. However, estimation methodologies are different. The first chapter is related to maximum likelihood; and the second chapter minimizes mean square errors.

In Chapter 1, without imposing additional restrictions on the distribution of disturbances other than some regular assumptions, I show that parameters appearing in the conditional standard deviation function can be adaptively estimated. The kernel smoothing parameter is calculated by minimizing mean squared errors between estimated score functions and target score functions. Significant asymmetric effects are identified with daily value-weighted stock index returns on NYSE/AMEX. Monte Carlo simulation results support my theory.

In Chapter 2, conditional expectation function is estimated by  $k$  &minus; nearest neighbor method. I show that semiparametric efficient estimate of parameters of single-index models and  $k$  can be calculated simultaneously. Monte Carlo experiments results show that the semiparametric estimator performs equally

well across different data generating mechanisms even for small samples.

In Chapter 3, catastrophe-linked securities whose payoffs are tied to the occurrence of natural disasters allow insurers to better diversify their risks through capital markets while at the same time offering an attractive new asset class to investors. Up to now, this class of assets is still under development, and few empirical applications have been carefully analyzed. This chapter examines one of the catastrophe-linked instruments—PCS options traded at the CBOT. Two main issues are explored: (a) Theoretical prices are derived by assuming complete and arbitrage free market. Comparing market prices to theoretical prices, three puzzles are observed. (b) Comparing PCS call spread option contracts to traditional excess-of-loss catastrophe reinsurance contracts; I find that pricing patterns of these two types of assets are similar. Other factors, not limited capacity, are capable of explaining these special pricing patterns.

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DIALOG(R)File 35:Dissertation Abs Online  
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01871520 ORDER NO: AADAA-I3044195  
Essays in real estate pricing  
Author: Pagliari, Joseph L., Jr.  
Degree: Ph.D.  
Year: 2002  
Corporate Source/Institution: University of Illinois at Urbana-Champaign  
(0090)  
Adviser: Roger Cannaday  
Source: VOLUME 63/02-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 700. 126 PAGES  
Descriptors: ECONOMICS, FINANCE  
Descriptor Codes: 0508  
ISBN: 0-493-58063-8

This study examined two issues related to pricing commercial real estate. First, the performance of the NCREIF Property Index, was analyzed from the perspective of the fundamental sources of return: initial earnings yield, dividend payout ratios, earnings growth, shifts in capitalization rates and other (less significant) effects. The results indicate these sources that have contributed to the Index's considerable cross-sectional variation as well as its time series variation. Therefore, this study should be viewed as a useful historical account for those interested in understanding the ex post return-generating process of the Index as well as those who wish to model the ex ante return-generating process for a variety of applications in both the debt and equity markets.

Second, real estate investment trusts are used to pursue two related research questions: (a) Can a firm's characteristics be used to determine its pricing (as measured by the firm's dividend yield)? (b) After adjusting for these characteristics, do "value" firms outperform "growth" firms? The first of these questions is hedonically addressed. It was found that a significant portion of the cross-sectional variation in REIT dividend yields can be ascribed, using hedonic techniques, to the differences in their characteristics. The explanatory power of the hedonic models generally improved as the time period becomes more recent and the data set becomes more robust. The "excess" dividend yield (from the findings of the first

question) was then viewed as the basis for identifying characteristic-adjusted growth and value firms. A zero-investment portfolio is formed each year acquiring the value firms and selling short the growth firms. However, no (statistically significant) arbitrage profits can be earned. This is interpreted as a yet another affirmation of the efficient market hypothesis and, by extension, a refutation that value firms—once adjusted for their characteristics—outperform growth firms.

20/5/21 (Item 3 from file: 35)  
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0966170 ORDER NO: AAD87-22927  
NEW ISSUES OF EQUITY: A COLLECTION OF RELATED ESSAYS  
Author: SHIMRAT, ADAM  
Degree: PH.D  
Year: 1987  
Corporate Source/Institution: NEW YORK UNIVERSITY, GRADUATE SCHOOL OF  
BUSINESS ADMINISTRATION (0868)  
Source: VOLUME 48/07-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 1852. 213 PAGES  
Descriptors: ECONOMICS, FINANCE  
Descriptor Codes: 0508

This dissertation is a collection of related essays concerning seasoned equity issues by public firms. The first essay demonstrate that the negative effect of seasoned issues of new equity is due to negative information and not due to price pressure or wealth redistribution. The second essay examines two possible explanations for the negative information associated with the announcements of new issues. The first hypothesis states that the insiders, who have better information than the market, issue stocks when they perceive them to be overvalued. The second potential explanation hypothesizes that new issues of equity are forced by the existing dividend constraint. Our empirical evidence favors the first hypothesis over the second.

The third essay focuses on the payments of equity-financed dividends. Why would a corporation pay dividends and at the same time issue new equity (henceforth pay equity-financed dividends)? In the presence of taxes and transaction related costs such a behavior seems irrational. This essay presents empirical evidence indicating that unregulated firms do not pay equity financed dividends. First, seasoned issues of new equity are an extremely rare phenomena. A randomly selected unregulated firm is expected to issue new equity once every fifty years. Second, the payout ratio of the issuing firms is unusually low around the issuance period, indicating that all of the proceeds of the issue plus an unusually large fraction of current earnings are invested.

Since the nature of equity offerings by utility firms differs from industrials, the utility offerings are discussed separately. The utility offerings essay addresses the phenomenon of the heavy reliance of the utility industry on external financing. In addition, this essay provides an analysis of the negative market reaction to utility stock offerings. Finally, the last essay contains time-series analyses of the reservoir generating process. Our estimation evidence shows that the reservoir

generating process can be described by a model of random walk of changes with a drift.

20/5/22 (Item 4 from file: 35)  
DIALOG(R)File 35:Dissertation Abs Online  
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938534 ORDER NO: AAD87-00722  
FOUR ESSAYS IN FINANCIAL ECONOMICS (DIVIDENDS, CAPITAL ACQUISITION)  
Author: BARCLAY, MICHAEL J.  
Degree: PH.D.  
Year: 1986  
Corporate Source/Institution: STANFORD UNIVERSITY (0212)  
Source: VOLUME 47/09-A OF DISSERTATION ABSTRACTS INTERNATIONAL.  
PAGE 3511. 157 PAGES  
Descriptors: ECONOMICS, FINANCE  
Descriptor Codes: 0508

This dissertation addresses two fundamental aspects of corporate financial policy: corporate dividend payments and capital acquisition. The first essay is an empirical investigation of the ex-dividend day behavior of common stock prices before the enactment of the federal income tax. The data are consistent with the hypotheses that: (1) investors in the pre-tax period valued dividends and capital gains as if they were perfect substitutes; and (2) differential rates of taxation have since caused investors to discount the value of taxable cash dividends relative to capital gains. Given the tax penalty associated with cash dividend payments documented in the first essay, the second essay provides insight into the question of why firms pay cash dividends. The use of dividends by small shareholders as a monitor of managerial performance is examined. It is shown that the dividend policy of the firm can be used as an incentive device to motivate the firm's managers to exert considerable effort in order to ensure the long-term prosperity of the firm. The third and fourth essays consider the process through which corporations raise investment capital. Essay Three examines the within day market reaction to announcements of new issues of equity and debt by industrial firms. Previous studies have documented a negative market reaction to announcements of new issues of equity. This essay undertakes a number of empirical tests to distinguish between competing hypotheses that attempt to explain this negative market reaction. The within day pattern of the stock price adjustment is also examined. The final essay of the dissertation derives sufficient conditions for Pareto improving diversification in a model of financial market signaling. It is assumed that entrepreneurs have inside information about the potential earning streams of their own projects. A costly signal is obtained by the entrepreneurs in order to convey this information to the market. In many cases, the signaling cost borne by the entrepreneurs can be reduced if they are able to diversify through merger or acquisition. The essay provides a connection between the form and scale of the organization and the cost of investment capital.

## B. NPL Files, Full-text

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File 636:Gale Group Newsletter DB(TM) 1987-2009/Jul 20  
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File 626:Bond Buyer Full Text 1981-2008/Jul 07  
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File 484:Periodical Abs Plustext 1986-2009/Aug W1  
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File 47:Gale Group Magazine DB(TM) 1959-2009/Jul 30  
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File 268:Banking Info Source 1981-2009/Aug W1  
(c) 2009 ProQuest Info&Learning

File 267:Finance & Banking Newsletters 2008/Sep 29  
(c) 2008 Dialog

File 625:American Banker Publications 1981-2008/Jun 26  
(c) 2008 American Banker

Set	Items	Description
S1	19457139	TRUST OR TRUSTS OR TRUSTEE?? OR (CORPORATE OR BUSINESS)() (- ENTITY OR ENTITIES) OR CORPORATION?? OR THIRD() (PARTY OR PART-IES) OR ISSUER??
S2	5876790	(ISSUE?? OR ISSUING OR ISSUA? OR SELL?)(15N)(SECURITY OR S-ECURITIES OR STOCK OR STOCKS OR BOND OR BONDS OR (INVESTMENT - OR FINANCIAL OR DEBT)() (INSTRUMENT?? OR PRODUCT?? OR VEHICLE?-?) OR DECS OR EQUITY OR EQUITIES OR MANDATOR?() (CONVERTIBLE?? OR EXCHANGEABLE??))
S3	4332989	(S2 OR FIRST OR 1ST OR INITIAL OR PRIMARY OR ORIGINAL OR E-

ARLIEST) (25N) (PROCEEDS OR (MONEY OR AMOUNT) (5N) RECEIV? OR INC-  
 OME OR EARNINGS OR PROFIT??)

S4 4921505 (PURCHAS? OR BUY OR BUYS OR BUYING OR BOUGHT OR OBTAIN? OR  
 ACQUIR? OR ACQUISITION?) (15N) (COMMON() STOCK OR SHARE?? OR RIG-  
 HT??)

S5 2896 (CALL OR OPTION??) () SPREAD??

S6 2019855 (S5 OR SECOND OR 2ND OR SUBSEQUENT OR LATER) (25N) (PROCEEDS  
 OR (MONEY OR AMOUNT) (5N) RECEIVE?? OR INCOME OR EARNINGS OR PR-  
 OFIT??)

S7 2337976 (FUND? OR SATISF? OR PROVID? OR PAY OR PAYS OR PAID OR PAY-  
 ING OR PAYOUT?) (10N) (COUPON?? OR CASH() DISTRIBUTION?? OR DIVI-  
 DEND?? OR PAYMENT??)

S8 119733 S1(S) S2(S) S4

S9 56 S8(S) S5

S10 2707 S8(S) S3(S) S6

S11 1025 S10(S) S7

S12 664648 S1(15N) S2

S13 581891 S1(25N) S4

S14 4902 S12(S) S13(S) (S3 OR S6)

S15 19 S14(S) S5

S16 505 S14(S) S7

S17 56 S9 OR S15

S18 24 S17 NOT S17/2004:2009

S19 16 RD (unique items)

19/3,K/1 (Item 1 from file: 610)  
 DIALOG(R) File 610:Business Wire  
 (c) 2009 Business Wire. All rts. reserv.  
 00908534 20030529149B6399 (USE FORMAT 7 FOR FULLTEXT)  
 Cypress Prices \$500 Million Convertible Subordinated Notes Offering  
 Business Wire  
 Thursday, May 29, 2003 09:56 EDT  
 JOURNAL CODE: BW LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
 DOCUMENT TYPE: NEWSWIRE  
 WORD COUNT: 589

...a 13-day option to purchase up to an additional \$150 million principal amount of notes.

Cypress intends to use approximately \$49 million of the proceeds for the purchase from an affiliate of one of the initial purchasers of issuer call spread options, which have a 14 month term, with respect to its common stock to potentially offset dilution from the conversion of the notes up to a market price of \$24.50 per share.  
 Cypress plans to use the...

...in connection with the offering of the notes, and for other general corporate purposes, which may include other debt repayment.

In connection with the issuer call spread options, the affiliate of the initial purchaser that sold the options to Cypress is expected to take positions in the company's common stock in...

...or enter into various derivative transactions. The affiliate is likely to modify its hedge positions from time to time during the term of the issuer



call spread options by purchasing and selling shares of the company's common stock, other company securities or other instruments it may wish to use in connection with such hedging. This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

The securities will not...

19/3,K/3 (Item 3 from file: 610)  
DIALOG(R)File 610:Business Wire  
(c) 2009 Business Wire. All rts. reserv.  
00871449 20030320079B6548 (USE FORMAT 7 FOR FULLTEXT)  
Micron Technology, Inc. Reports Results for the Second Quarter of Fiscal Year 2003  
Business Wire  
Thursday, March 20, 2003 18:12 EST  
JOURNAL CODE: BW LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
DOCUMENT TYPE: NEWSWIRE  
WORD COUNT: 1,992

...in accordance with Statement of Financial Accounting Standards No. 109. (5) On April 22, 2002, the Company acquired substantially all of the assets of Toshiba Corporation's ("Toshiba") DRAM business as conducted by Dominion Semiconductor, L.L.C. located in Virginia. The total purchase price of \$328 million included cash and 1.5 million shares of the Company's common stock, which was valued at \$58 million on the date of the acquisition. The Company granted Toshiba an option to require the Company to repurchase on October 21, 2003, all of these shares for approximately \$68 million in...

...2010 (the "Notes"). The Notes are convertible at any time through February 1, 2010, into approximately 53.7 million shares of the Company's common stock at a conversion price of \$11.79 per share. See Note (8). (8) Concurrent with issuance of the Notes, the Company entered into option contracts (the "Call Spread Options"), designed to effectively increase the conversion price on the convertible subordinated notes from \$11.79 per share to a maximum of \$18.19. The Call Spread Options cover approximately 53.7 million shares of the Company's common stock, the number of shares issuable upon conversion of the Notes. Total fees and costs of the Call Spread Options of \$109 million were charged directly to additional capital in the second quarter of fiscal 2003. The Call Spread Options expire on January 29, 2008.

CONTACT: Micron Technology, Inc., Boise  
Investor Relations/Public Relations:  
David T. Parker, 208/368-5584  
dtparker@micron.com  
http...

19/3,K/4 (Item 1 from file: 613)  
DIALOG(R)File 613:PR Newswire  
(c) 2009 PR Newswire Association Inc. All rts. reserv.

01081950 20031209NYTU078 (USE FORMAT 7 FOR FULLTEXT)  
Sepracor Announces Pricing of \$600 Million Convertible Notes  
PR Newswire  
Tuesday, December 9, 2003 07:01 EST  
JOURNAL CODE: PR LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
DOCUMENT TYPE: NEWSWIRE  
WORD COUNT: 1,061

TEXT:

...outstanding 5.75% Convertible Subordinated Notes due 2006, representing approximately \$435 million in aggregate principal amount plus accrued but unpaid interest.

In connection with the call spread transaction, the Company has purchased call options on 19.7 million shares of Sepracor stock, with a strike price of \$29.84 per share. Simultaneously, the Company has sold an equal number of call options to the initial purchaser or their affiliates at strike prices ranging from \$40.00 per share to \$65.00 per share. All of these options have staggered expiration dates ranging from 6 months to two years from the date of the offering. In connection with this transaction, the initial purchasers in the proposed Convertible Senior Subordinated Note offering or their affiliates and a third party will purchase up to eight million shares of Sepracor's common stock in secondary market transactions concurrently with, prior to and possibly after pricing of the notes.

Upon redemption of the 5.75% Convertible Subordinated Notes due 2006, the Company will no longer be required to issue up to approximately 7.2 million shares of Sepracor common stock that would have been issuable upon conversion of such notes at a conversion price of \$60.00.

The notes consist of:

19/3,K/5 (Item 2 from file: 613)  
DIALOG(R)File 613:PR Newswire  
(c) 2009 PR Newswire Association Inc. All rts. reserv.  
01062820 20031030CGTH068 (USE FORMAT 7 FOR FULLTEXT)  
Northwest Airlines Corporation Prices \$225 Million of  
PR Newswire  
Thursday, October 30, 2003 15:40 EST  
JOURNAL CODE: PR LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
DOCUMENT TYPE: NEWSWIRE  
WORD COUNT: 600

TEXT:

Northwest Airlines Corporation (Nasdaq: NWAC) today announced the pricing of its offering of \$225 million original principal amount of Convertible Senior Notes due 2023, to qualified institutional buyers...

...Thereafter, the principal amount of the notes will accrete semi-annually at a rate of 7.625% per year to maturity.

Each note will be issued at a price of \$1,000 and is convertible into Northwest Airlines Corporation common stock at a conversion rate of 43.6681 shares per \$1,000 original principal amount of notes (equal to an initial conversion price of approximately \$22...

...per share), subject to adjustment in certain circumstances. Holders of the notes may convert their notes only if:

(i) the price of the Northwest Airlines Corporation's common stock reaches a specified threshold; (ii) the trading price for the notes falls below certain thresholds; (iii) the notes have been called for...

...company's common stock on October 29, 2003, which was \$14.31 per share. The notes will be guaranteed by Northwest Airlines, Inc.

Northwest Airlines Corporation may redeem all or some of the notes for cash at any time on or after November 15, 2006, at a redemption price equal to the accreted principal amount plus accrued and unpaid interest, if any, to the redemption date. Holders may require Northwest Airlines Corporation to repurchase the notes on November 15 of 2008, 2013 and 2018 at a repurchase price equal to the accreted principal amount plus accrued and unpaid interest, if any, to the repurchase date. Northwest Airlines Corporation may elect to pay the repurchase price in cash or in shares of common stock, or a combination of both, subject to certain conditions.

The company has granted the initial purchaser of the notes a 30-day option to purchase up to an additional \$45 million original principal amount of the notes.

Northwest Airlines Corporation plans to use the net proceeds from the offering for working capital and general corporate purposes. Northwest Airlines Corporation also intends to use approximately \$10 million of the proceeds to enter into call spread options on its common stock to limit exposure to potential dilution from conversion of the notes, such that the effective conversion premium is in excess of 100% over the last reported sale price of the company's common stock on October 29, 2003. In connection with the call spread options, the initial purchasers are expected to take positions in Northwest Airlines Corporation's common stock in secondary market transactions and/or enter into various derivative transactions.

This announcement is neither an offer to sell nor a solicitation to buy any...

19/3,K/7 (Item 4 from file: 613)  
DIALOG(R)File 613:PR Newswire  
(c) 2009 PR Newswire Association Inc. All rts. reserv.  
00980216 20030512SFM123 (USE FORMAT 7 FOR FULLTEXT)  
LSI Logic Corporation Prices \$350 Million Convertible  
PR Newswire  
Monday, May 12, 2003 20:59 EDT  
JOURNAL CODE: PR LANGUAGE: ENGLISH RECORD TYPE: FULLTEXT  
DOCUMENT TYPE: NEWSWIRE  
WORD COUNT: 565

TEXT:

LSI Logic Corporation (NYSE: LSI) announced today the pricing of its offering of \$350 million of convertible subordinated notes due in 2010 to qualified institutional buyers pursuant to...

...outstanding obligations, including its convertible notes. The company also intends to use approximately \$28 million of the net proceeds of the offering to enter into call spread options on its common stock to limit exposure to potential dilution from conversion of the notes.

In connection with the call spread options, an affiliate of the initial purchaser is expected to take positions in our common stock in secondary market transactions and/or will enter into various derivative

transactions on the notes. Such affiliate of the initial purchaser is likely to modify its hedge positions from time to time prior to conversion or maturity of the notes by purchasing and selling shares of the company's common stock, other securities of the company or other instruments it may wish to use in connection with such hedging....

19/3,K/9 (Item 1 from file: 20)  
DIALOG(R)File 20:Dialog Global Reporter  
(c) 2009 Dialog. All rts. reserv.  
32858599  
Sepracor announces pricing of \$600 M convertible senior subordinated notes.  
CHEMICAL BUSINESS NEWSBASE - PRESS RELEASE  
December 09, 2003  
JOURNAL CODE: FP RR LANGUAGE: English RECORD TYPE: FULLTEXT  
WORD COUNT: 491

... possibly after pricing of the notes. Upon redemption of the 5.75% Convertible Subordinated Notes due 2006, the Company will no longer be required to issue up to about 7.2 M shares of Sepracor common stock that would have been issuable upon conversion of such notes at a conversion price of \$60. The notes consist of, \$200 M in principal amount of 0% Series A Convertible...

... convertible under certain circumstances into 33.5175 shares of Sepracor common stock. The conversion rate is equivalent to a conversion price of about \$29.84/share. The Company has granted the initial purchasers in this offering the option to purchase up to an additional \$50 M of Series A Notes and \$100 M of Series B Notes. The Series A Notes are convertible into about 6.3 M shares of common stock or 7.8 M shares of common stock if the initial purchasers exercise in full their option to purchase additional Series A Notes. The Series B Notes are convertible into about 13.4 M shares of common stock or 16.8 M shares of common stock if the initial purchasers exercise in full their option to purchase additional Series B Notes. Sepracor is a research-based pharmaceutical company dedicated to treating and preventing human disease through the discovery, development and commercialisation of...

19/3,K/13 (Item 1 from file: 15)  
DIALOG(R)File 15:ABI/Inform(R)  
(c) 2009 ProQuest Info&Learning. All rts. reserv.  
01178208 98-27603  
Will synthetic convertibles save you money?  
Neish, Stephen  
Corporate Finance n135 PP: 45-46 Feb 1996  
ISSN: 0958-2053 JRNL CODE: COF  
WORD COUNT: 1033

...TEXT: and then remains constant (see sequence 1). (Sequence 1 omitted)

Other mandatory convertibles, such as Decs (Debt exchangeable for common

stock) or Sails (Stock appreciation income linked securities), are preferred shares that have an at-the-money call spread on the issuer's stock, which the issuer buys. For example, if the issuer sells the stock in three years at today's price, \$50, it has the right to buy it back at \$50. If the stock exceeds, say, \$65, it is sold back to the investor (see sequence 2). (Sequence 2 omitted)

Knowing that...

19/3,K/14 (Item 2 from file: 15)  
DIALOG(R)File 15:ABI/Inform(R)  
(c) 2009 ProQuest Info&Learning. All rts. reserv.  
00947547 95-96939  
Flexible financing for fund managers  
Paisley, Ed  
Institutional Investor v28n11 PP: 29 Nov 1994  
ISSN: 0020-3580 JRNL CODE: IL  
WORD COUNT: 533

TEXT: Swiss Bank Corp. Australia has designed a novel financing tool that could well become a fund manager's dream. It's a call option spread over three years that is, in effect, a standby equity facility.

SBC Australia's A\$500 million (US\$368 million) issue for General Property Trust, a listed property unit trust, offers GPT shareholders the right to buy a A\$1.35 option exercisable into A\$15...

19/3,K/15 (Item 1 from file: 267)  
DIALOG(R)File 267:Finance & Banking Newsletters  
(c) 2008 Dialog. All rts. reserv.  
04601398  
Zeros Reenter The Convert Fray: Two recent deals use "call spreads" to immunize against dilution  
Laura Santini (laura.santini@thomsonmedia.com)  
Investment Dealers Digest  
June 23,2003 DOCUMENT TYPE: NEWSLETTER  
PUBLISHER: SECURITIES DATA PUBLISHING  
LANGUAGE: ENGLISH WORD COUNT: 724 RECORD TYPE: FULLTEXT  
(c) SECURITIES DATA PUBLISHING All Rts. Reserv.

TEXT:

...price as a result of issuing convertibles, Wall Street is allowing them to use over-the-counter derivatives contracts to create a structure dubbed a call spread that essentially immunizes against the risk of dilution.

Earlier this year, "there was a tremendous lack of supply in the convertibles market," said Sean Brady, head of equity-linked origination at Credit Suisse First Boston, which has executed 10 such convertibles offerings in the past few months.

Many companies that issued convertibles five years ago have experienced sharp declines in their share prices. The equity plunge has thrust these convertibles way out of the money, meaning investors won't be able to exchange the bonds for equity shares until the...

...first trade, Cephalon bought a call option set at the same strike price as the convertibles. If the stock reaches the trigger price, Cephalon will buy back shares at the same time convertible investors are exchanging bonds for shares.

In another recent example, U.S. Bancorp Piper Jaffray implemented a call spread on a \$500 million offering of five-year convertible subordinated notes on May 28 for San Jose, Calif.-based Cypress Semiconductor Corp. Piper Jaffray was...

...trading risk. The firm hedges out the risk on its derivatives desk. For example, it hedges the risk of selling a call to Cephalon by buying Cephalon shares. The hedged position requires constant adjustment-buying and selling shares with fluctuations in stock price. This isn't a problem, usually.

But what if Cephalon discovers a wonder drug? The stock price likely would reach to the stratosphere, pleasing...

19/3,K/16 (Item 2 from file: 267)  
DIALOG(R)File 267:Finance & Banking Newsletters  
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04598013

Fending Off Hedge Funds: New convert strategies aim to counter short sales and dilution

Britt Erica Tunick

Investment Dealers Digest

March 10,2003 DOCUMENT TYPE: NEWSLETTER

PUBLISHER: SECURITIES DATA PUBLISHING

LANGUAGE: ENGLISH WORD COUNT: 791 RECORD TYPE: FULLTEXT

(c) SECURITIES DATA PUBLISHING All Rts. Reserv.

TEXT:

...with convertible arbitrage strategies are some of the few active players these days. But while the convert money entices companies with its competitive interest rates, issuers soon find their stock being hammered as hedge funds short the stock as part of their arbitrage.

Now that companies have wised up to the ways of the hedge funds, their underwriters are coming up with clever ways to avoid, or at least minimize, their stock's slide and the dilution of convertible issuance.

Some are using part of the deal proceeds to repurchase their own shares, while others are issuing convertibles with high premiums. Both are attempts to offset the hedge fund effect.

That was what...

...recovered to \$10.69 when the deal was completed. Analysts said the stock still declined because the company only had \$30 million with which to buy shares while hedge funds shorted \$70 million worth.

Another recent issuer, Sierra Pharmaceuticals Inc., said it would use a portion of the \$100 million it raised on Feb. 25 in a similar way. Its stock price...

...Technology used the same strategy in January when it issued a \$969.8 million convertible with a 1.75% coupon. Of the \$575 million in proceeds the company generated from the deal, it used \$137 million to buy back roughly 564,000 of its own shares.

Another problem for convert issuers is the dilution that occurs

when they issue the stock portion of the convertible. To minimize further dilution, companies have begun issuing convertibles with high premiums, paired with higher interest rates to attract investors. Freeport-McMoRan Copper and Gold Inc. recently used this structure when it issued a \$575 million convertible with an 85.98% premium. The company's \$16.60 stock price at the time of the issue would have to climb to \$30.87 before investors could convert. What made the deal a bit more attractive to investors and helped the issuer pull it off was the 7% coupon it carried.

This structure, however, is more limiting when it comes to the number of issuers that can pursue it. Because of the higher interest payments required for these deals, the structure is one that really only makes sense for issuers with strong cash flows where paying higher interest rates doesn't mean jeopardizing the balance sheet, according to bankers.

Another new structure designed to avoid dilution is what's called call-spread overlay convertibles. In these issues, the call option covers issuers against possible dilution at that option price by allowing them to repurchase the same number of options they've sold to investors from the underwriter. In order to help finance that, the company sells an equal number of call options to the underwriter but at a higher stock price.

Micron Technology Inc. is one company that recently used this structure when it issued a \$632.5 million convertible with a 2.5% coupon and an \$11.79 conversion price. Micron's stock was trading at \$8.42 at the time of the issue. In order to give itself more leeway before investors would be likely to exercise the conversion option, Micron paid \$109.3 million to buy back...